



MARION COUNTY, INDIANA

(Component Unit of the Consolidated City of Indianapolis-Marion County)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year
Ended December 31, 2002

Prepared by
Martha A. Womacks
Auditor of Marion County

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INTRODUCTORY SECTION





AUDITOR OF MARION COUNTY
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CHIEF DEPUTY AUDITOR
D. TERRY NELSON

DEPUTY AUDITORS
DANIEL M. JONES
SHIRLEY J. MIZEN, C.P.A.
THERESA A. JOHNSON

August 23, 2003

To: The Honorable Bart Peterson
Mayor, City of Indianapolis,
and
The Honorable Philip Borst, President, and
Members of the City-County Council

The comprehensive annual financial report of Marion County, Indiana, (a component unit of the Consolidated City of Indianapolis - Marion County) (County) for the fiscal year ended December 31, 2002 is submitted herewith. This report is presented pursuant to Section 5-11-1-4 of the State of Indiana Code. This report is presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and is audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The County has a responsibility to inform both the taxpayers of Marion County and its investors of its financial condition. We believe that this report fulfills that responsibility.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by KPMG LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2002, are free of material misstatement presentation. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2002, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting presented to the County for its 2001 comprehensive annual financial report, a list of principal County officials and City-County Council members, and the County's organizational chart. The financial section includes the basic financial statements including the MD&A, footnotes, the independent auditors' report on the basic financial statements, required supplementary information, and the combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

PROFILE OF THE COUNTY

The County's comprehensive annual financial report for 2002 encompasses all funds for which the County is financially accountable and all accounts mandated to the County by the Constitution of the State of Indiana and the State of Indiana General Assembly. The County provides property tax administration, data processing services and other services. Financial accountability is demonstrated by the ability of the County to appoint the voting majority of an organization's governing body and (1) its ability to impose its will on the organization or (2) a potential for the organization to provide specific financial benefits or to impose specific financial burdens on the County.

Information regarding the Indianapolis-Marion County Building Authority, a joint venture with the Consolidated City of Indianapolis, is disclosed in the notes to the basic financial statements.

In accordance with GASB Statement 14, *The Financial Reporting Entity*, Marion County is considered a component unit of the Consolidated City of Indianapolis-Marion County. The County and the Consolidated City share a common executive and legislative body. Otherwise the County is considered a separate legal entity, with its elected officials directly and separately (from City officials) responsible for financial independence, operations and accountability for fiscal matters. Accordingly, the general purpose financial statements of the County are included in the comprehensive annual financial report of the Consolidated City of Indianapolis-Marion County in accordance with guidelines established by the GASB. Note 1 of the basic financial statements provides a further discussion of the County as a financial reporting entity.

ECONOMIC CONDITION AND OUTLOOK

Marion County has a diversified economic base with unemployment rates and per capita income levels consistently higher than state and national averages. Strategically located on the major east-west and north-south transportation routes across North America, Marion County has become a major transportation industrial center. Marion County is also the geographic, financial, and cultural center of Indiana.

The Marion County economy is continuing to slowly improve from the downturn in the economy. Lower interest rates have increased new housing construction and existing home sales. This increased mortgage lending activity has increased fee collections in the County Recorder's Office, the Auditor's Office, and the Surveyor's Office. Unemployment rates in Indianapolis-Marion County have increased measurably but still remain lower than the state and national averages.

A general reassessment is underway in Indiana. The Indiana Tax Court ruled assessment practices in the state were unconstitutional. The Court ruled that a change in the tax base calculation was needed to bring assessed values to more closely resemble market values. Reassessment is expected to shift property tax burdens from manufacturing industries to homeowners. This shift of tax burden may be more pronounced in Marion County since this county has more commercial and industrial properties than any other county in Indiana. A primary goal of the 2002 Indiana General Assembly was to reduce the homeowner's property tax burden in anticipation of the reassessment affecting property tax bills in 2003. The General Assembly approved a tax restructuring legislation which reduced the public schools General Fund property tax levy by 60% and funded those services from increased sales tax and increased income tax.

Major Initiatives For the Year: Marion County has had a continuous problem with inmate overcrowding at the County Jail and lockup. Since 1994 the County has added 80% additional capacity for holding prisoners and the problem persists. With the assistance of private consultants, County officials have identified significant procedural problems with the processing of recently arrested prisoners. These problems contribute to long delays in processing and some inmates staying in County facilities longer than necessary. The recommendations from the County officials are to convert an existing County owned property adjacent to the County's privatized jail into an Arrestee Processing Center. The process will be redesigned and all activities consolidated into one location to streamline the entire process. A primary goal of the new facility is to immediately adjudicate lesser offenses and keep those individuals from entering the criminal justice system.

The Building Authority sold bond anticipation notes (B.A.N.) to finance the initial phase of the project and then entered into an amended lease arrangement with the County. A subsequent bond issue by the Building Authority replaced the B.A.N.'s and provided the long-range financing mechanism. Total cost of the initial phase is projected at \$13.8 million with annual debt service costs not to exceed \$1.2 million. Some projections indicate that efficiencies realized from the improved process could exceed the cost of existing operating costs. Completion of the facility is scheduled for August of 2003.

Major Initiatives For the Future: Another major challenge facing Marion County is the rising cost of housing juveniles in state institutions. The amount owed to the State of Indiana for custody of Marion County juveniles sentenced to state institutions continues to strain the County general fund balance. The amounts charged to the County exceeded \$18.6 million in 2002 which includes \$1 million credit from the State of Indiana. As of December 31, 2002, the County has recorded a payable to the State of Indiana of approximately \$46.6 million. Indiana is one of only six states that charges county governments for detention costs of post-adjudicated juveniles sentenced to state institutions, and the counties have no control over the costs of operating these facilities or how many juveniles are sentenced by the State. Currently, all attempts have failed with the Indiana General Assembly to change the law requiring these charges to counties. However, Marion County and other Indiana counties are certain to continue pursuing this matter in future legislative sessions.

At the end of 2002, the City-County Council approved ordinances directing the County to purchase new voting equipment. This is the first upgrade in the County's voting technology in nearly forty years. The system selected uses optical scanning devices to read and count ballots. The new system can produce accurate election results within minutes after the closing of the election polls. The Council selected a temporary financing vehicle to purchase the equipment. State and federal funding may be available to reimburse the County for much of the acquisition cost. Longer term financing will be secured when the remaining amounts are known.

Departmental Focus: The Information Services Agency (ISA) supplies technology and communications services to City, County and select township units of local government. These services are delivered through the combined efforts of internal staff and contractors. Affiliated Computer Services (ACS) staff supplies a significant portion of the contractual effort with assistance from several subcontractors. This contractual arrangement terminates in December 2004.

Significant efforts are underway to improve utilization of our technical resources to gain improved access to information throughout the enterprise. Significant system resources have been dedicated to accomplish the reassessment as accurately as possible. ISA is also working to find additional applications for the Geographic Information System and the City-County Internet services. The maintenance and upgrade of ISA's infrastructure continues the multi-year program of upgrading the mainframe and servers.

Deferred Compensation: During 1997, the deferred compensation plan was revised to comply with the amendments to Section 457 of the Internal Revenue Code. Plan provisions were amended so that plan assets are held in trust by an independent trustee for the exclusive benefit of participants and their beneficiaries. In conjunction with these amendments, the County has elected to implement the provision of Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. As a result, the assets and liabilities of the deferred compensation plan are no longer included in the general purpose financial statements. Previously, plan assets were solely the property and rights of the County, subject only to the claims of the County's general creditors.

Debt Administration: At December 31, 2002 the County had \$10 million in general obligation notes payable outstanding relating to Family and Children Services. The County has an Aa bonding rating. Under State statutes, the County's general obligation bonded debt issuances are subject to a legal limitation. The legal bonded debt limit for the County is \$188,761,463.

Pension Benefits: The County contributes to the Indiana Public Employees' Retirement Fund (PERF), an agent multiple-employer retirement system that acts as a common investment and administrative agent for units of state and local government in Indiana. PERF was created and is governed by state statutes I.C.S. 5-10.2 and 5-10.3. As such it is PERF's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. Additional information on the County's pension arrangements can be found in Note 12 in the notes to the financial statements.

Cash Management: Cash temporarily idle during the year for all funds except the pension trust was invested by the County Treasurer in demand deposits, certificates of deposit, obligations of the U.S. government and U.S. government agencies and repurchase agreements as prescribed by State statute. The investments held by the County, except the pension trust fund, do not meet the requirements for accounting under GASB 31, *Accounting and Financial Reporting for Certain*

Investments and for External Investment Pools. The Pension Trust Funds are authorized to invest in bonds, debentures, notes, obligations of the U.S. Treasury, U.S. government agencies, mutual funds, and other corporate securities. Interest rates for investments in governmental fund types at year-end ranged between 1.47% and 1.75% depending on maturity. The County earned interest revenue of \$4.5 million on governmental fund type investments for the year ended December 31, 2002. The County's investment policy is governed by State statute and is intended to minimize credit and market risks while maintaining a competitive yield on its portfolio.

Risk Management: The County has various insurance policies in force which are described in Table XIII in the Statistical Section of this report. These policies are related to auto liability, property coverage, and blanket employee bonds. The County is self-insured for vehicle and general liability thru the City of Indianapolis. Uninsured claims are recorded when a determinable loss has been incurred. Past experience indicates that incurred but not reported claims, in the aggregate, do not represent a material amount and therefore have not been accrued as required by GASB 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. The County's liability is protected by a statutory limit. The County joined Indiana Public Employers Plan, Inc. (IPEP). IPEP covers all work related injuries and accidents as of July 1, 1994. The County makes an appropriation annually for the purpose of paying worker's compensation claims including medical treatments and continuation of salaries for employees not covered by the IPEP pool. The City of Indianapolis' Risk Management Division monitors the County's insurance needs and programs.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the eighteenth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report was made possible by the dedicated service and cooperation of all Marion County agencies. I especially want to express my sincere appreciation for the contributions made by my staff in the preparation of this report.

Very truly yours,



Martha A. Womacks
Auditor of Marion County

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Marion County,
Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

2002 County Elected Officials

		TERM
Auditor.....	Martha A. Womacks	1-01-99 to 12-31-02*
Treasurer.....	Gregory N. Jordan	1-01-01 to 12-31-04
Clerk.....	Sarah Taylor	1-01-99 to 12-31-02**
Sheriff.....	Jack Cottey	1-01-99 to 12-31-02***
Recorder.....	Wanda Martin	1-01-99 to 12-31-02*
Assessor.....	Joan N. Romeril	1-01-99 to 12-31-02*
Surveyor.....	Jack A. Irwin	1-01-01 to 12-31-04
Coroner.....	John McGoff, M.D.	1-01-01 to 12-31-04
Prosecutor.....	Scott Newman	1-01-99 to 12-31-02****
County Executive.....	Bart Peterson	1-01-00 to 12-31-03
Board of County Commissioners.....	Gregory N. Jordan	1-01-01 to 12-31-04
Board of County Commissioners.....	Martha A. Womacks	1-01-99 to 12-31-02*
Board of County Commissioners.....	Joan N. Romeril	1-01-99 to 12-31-02*

* Official Re-elected in 2002 – term 1-1-03 to 12-31-06

** Doris Anne Sadler was elected in 2002 – term 1-1-03 to 12-31-06

*** Frank Anderson was elected in 2002 – term 1-1-03 to 12-31-06

**** Carl Brizzi was elected in 2002 –term 1-1-03 to 12-31-06

2002 Other Elected Officials and Department Heads

		TERM
Center Township Assessor.....	James P. Maley	1-01-99 to 12-31-02*
Decatur Township Assessor.....	Charles L. Coleman	1-01-99 to 12-31-02*
Franklin Township Assessor.....	Becky L. Williams	1-01-99 to 12-31-02*
Lawrence Township Assessor.....	Paul Ricketts	1-01-99 to 12-31-02*
Perry Township Assessor.....	Katherine A. Price	1-01-99 to 12-31-02*
Pike Township Assessor.....	Elizabeth Keele	1-01-99 to 12-31-02**
Warren Township Assessor.....	Allen L. Durnil	1-01-99 to 12-31-02***
Washington Township Assessor.....	Barry Wood	1-01-99 to 12-31-02****
Wayne Township Assessor.....	Charles Spears	1-01-99 to 12-31-02*
Voters Registration.....	Sherry M. Beck Cathline Mullin	
Marion County Cooperative Extension.....	Maryann Dickason	
Criminal Probation.....	Robert Bingham	
Court Administrator.....	Mark Renner	
Guardian Home.....	Paul Browne	
Community Corrections.....	Brian Barton	
Forensic Services.....	James Hamby	
Chief Public Defender.....	David Cook	
Metropolitan Emergency Communication Agency.....	Linn Piper	
Chief Information Officer.....	Michael Hinline	

* Official Re-elected in 2002 – term 1-1-03 to 12-31-06

** Barbara M. Hurst elected in 2002 – term 1-1-03 to 12-31-06

*** William A. Birkle elected in 2002 – term 1-1-03 to 12-31-06

**** Joline Ohmart elected in 2002 – term 1-1-03 to 12-31-06

2002 City-County Council Members

President, President, Philip Borst*

Majority Leader, Beulah Coughenour
Minority Leader, Rozelle Boyd

John Bainbridge
Elwood E. Black
James Bradford
Maggie M. Brents
Bob Cockrum
Lonnell "King Ro" Conley

Curtis Coonrod
William Douglas
William A. Dowden
Sean Frick*
Ron Gibson
Monroe Gray, Jr
Karen Celestino Horseman
Harvey Knox
Lance Langsford
Robert Massie

Lynn McWhirter
Mary B. Moriarity-Adams
Jackie Nytes
Joanne Sanders
Scott Schneider
Frank T. Short
David Smith
Bill Soards
Steve Talley
Jody Tilford

*Elected 10/28/02 to replace Beurt SerVaas

2002 Judiciary

CIRCUIT COURT William T. Lawrence*

SUPERIOR COURT

Criminal Division:

Court 1 Tanya Walton-Pratt
Court 2 Robert Altice Jr.
Court 3 Cale Bradford
Court 4 Patricia J. Gifford
Court 5 Grant Hawkins
Court 6 Jane Magnus-Stinson
Court 7 Misdemeanor William T. Nelson
Court 8 Misdemeanor Barbara Collins
Court 9 D-Felony Evan Goodman
Court 10 Misdemeanor Mark Stoner
Court 11 Initial Hearing Alex Murphy, Commissioner
Court 12 Environmental Michael Keele
Court 13 Traffic/Misdemeanor Jane Conley, Commissioner
Court 14 D-Felony Drug Court Z. Mae Jimison
Court 15 Felony Richard Good ***
Court 16 Domestic Violence Clark Rogers
Court 17 Domestic Violence Sheila Carlisle
Court 18 D-Felony Reuben Hill
Court 19 Misdemeanor R. F. Pierson-Treacy
Court 20 Felony Drug William Young
Court 21 Domestic Violence Linda Brown
Expedited Drug Court David Shaheed, Commissioner
Community Court Annie Christ, Commissioner

Civil Division:

Court 1 Steve Frank
Court 2 Kenneth H. Johnson
Court 3 Patrick L. McCarty
Court 4 Cynthia J. Ayers **
Court 5 Gary Miller
Court 6 Thomas J. Carroll
Court 7 Gerald S. Zore ***
Court 8 Probate Division Charles J. Deiter
Court 9 Juvenile Division James W. Payne
Court 10 David Dreyer
Court 11 John Hanley
Court 12 Robyn Moberly
Court 13 S. K. Reid
Title IV-D Court Carol Terzo, Commissioner

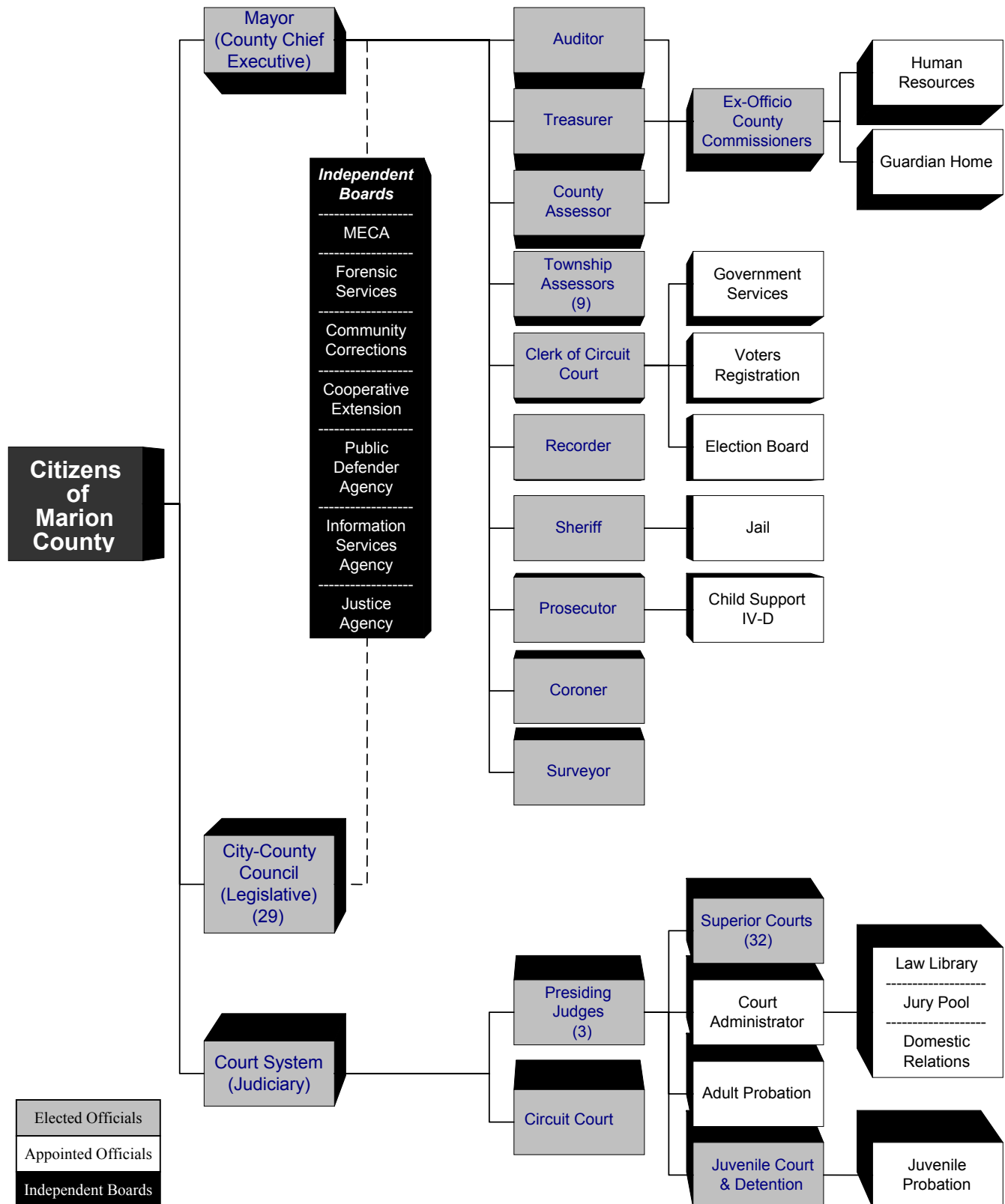
* Oct. 2002 William T. Lawrence left the position; Theodore Sosin elected 2002 – term 1-1-03 to 12-31-06

** Presiding Judge

*** Associate Presiding Judge

Marion County, Indiana

Government Organization Chart





FINANCIAL SECTION





2400 First Indiana Plaza
135 North Pennsylvania Street
Indianapolis, IN 46204-2452

Independent Auditors' Report

The Honorable Martha A. Womacks
Auditor of Marion County
Marion County, Indiana:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Marion County, Indiana (a component unit of the Consolidated City of Indianapolis—Marion County) (County) as of and for the year ended December 31, 2002 which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Marion County, Indiana as of December 31, 2002 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, effective January 1, 2002, the County has implemented a new financial reporting model as required by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. In addition to GASB Statement No. 34, the County adopted GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 23, 2003 on our consideration of Marion County, Indiana internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in connection with this report in considering the results of our audit.



The Honorable Martha A. Womacks
Auditor of Marion County
Marion County, Indiana:
Page 2

The management's discussion and analysis (MD&A) on pages 13 through 20; the budgetary comparison information on pages 56 through 58; the schedules of funding progress and the employer contributions on pages 59-60; and the notes to the required supplementary information on pages 61 and 62 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collective comprise the County's basic financial statements. The information presented in the Introductory, the Statistical and Combining Fund Financial Statements and Schedules – Other Supplementary Information Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, except the schedules of revenues and expenditures budget and actual which are unaudited, have been subject to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information presented in the Introductory, Statistical Sections, and Combining Fund Financial Statements and Schedules – Other Supplementary Information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

KPMG LLP

August 23, 2003

**MARION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2002**

As management of Marion County (County), Indiana, we offer readers of the County's Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the Marion County government for the fiscal year ended December 31, 2002. Due to this being the first year the current financial reporting model has been used; comparisons with the previous year are limited. In future years, when prior year information is available, comparative financial analyses will be presented. For a better understanding of the financial information presented in the CAFR, we encourage readers to review the transmittal letter prior to this analysis and the financial statements following it.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the County's assets exceeded its liabilities at the close of 2002 by \$41.9 million (net assets). Of this amount, \$5.1 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental activities had net assets of \$37.9 million, and business-type activities had net assets of \$4.0 million.
- As of December 31, 2002, the County's governmental funds reported combined ending deficit fund balances of (\$4.2 million), a decrease of \$31.5 million compared to the prior year.
- At the end of the fiscal year, the unreserved deficit fund balance for the General Fund was (\$25.8 million).
- On a government-wide basis, the County's total expenses in 2002 were \$240.4 million, or \$11.6 million more than the \$228.8 million generated in charges for services, grants, taxes, and other revenues.
- The General Fund revenues (budgetary basis) of \$162.9 million were 96.6% of the original budget estimates.
- The County's total long-term liabilities increased by \$1.4 million (2.4%) during the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other information to supplement the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances using accounting methods similar to those used by private-sector companies. In these statements, a distinction is made between governmental activities and business-type activities. Governmental activities are those activities normally associated with the operation of a government that are principally supported by taxes and intergovernmental revenues. Business-type activities are those activities that are designed to be self-supportive through user fees and charges. There are two government-wide statements, the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference being the net assets. Changes in the net assets may serve as a useful indicator of whether or not the financial position of the County is improving or deteriorating.

The Statement of Net Activities presents information showing how the County's net assets changed during the most recent fiscal year. All current year revenues and expenses are accounted for in the statement of activities, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. This statement also presents the various programs of the County and the extent to which they are supported by charges for services, grants and contributions, taxes, and investment income. The governmental activities of the County include administration and finance, protection of people and property, judicial, corrections, recreation, and health and welfare. The business-type activities of the County include a juvenile alternative school and a forensic services training program.

Fund Financial Statements

The second set of financial statements are fund financial statements, which provide information about groupings of related accounts (funds) that are used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the County's most significant funds – not the County

as a whole. The County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds tell how general government services were financed in the short term as well as what financial resources remain available for future spending to finance County programs.

The County maintains several individual governmental funds according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, State and Federal Grants Fund, Property Reassessment Fund and Cumulative Capital Projects Fund, which are considered to be major funds. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements as supplementary information.

Proprietary Funds. Proprietary funds offer short-term and long-term financial information about services for which the County charges customers, both external customers and internal departments of the County. The County maintains the following two types of proprietary funds:

- Enterprise Funds are used to report information similar to business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operations of the Juvenile Court Alternative School Services and Forensics Services Training both of which are considered major funds.
- Internal Service Funds are used to report activities that provide services for certain County programs and activities. The County uses an internal service fund to provide for the financing of information technology.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of individuals or units of other governments. The County is the trustee or fiduciary responsible for assets that can be used for the trust beneficiaries per trust arrangements. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. Agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the County's own programs, they are not reflected in the government-wide financial statements.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that allows for a better understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and notes to the basic financial statements, the CAFR also presents required supplementary information concerning the County's budgetary comparisons for the General Fund, State and Federal Grants, and Property Reassessment, and required information pertaining to the County's progress in funding its obligation to provide pension benefits to its employees.

Additional Supplementary Information

The combining statements and schedules provide fund level detail for all non-major governmental funds, pension trust funds, and agency funds. Also in this section are comparisons of actual to budget for all other annually-budgeted funds.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

This is the first year the County has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB No. 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Because this reporting model significantly changes both the recording and presentation of financial data, the County has not restated prior years for the purpose of providing comparative information for Management's Discussion and Analysis. In future years when prior year information is available, a comparative analysis of government-wide data will be included in this report.

Net assets. The County's combined net assets at December 31, 2002 were approximately \$41.9 million. Looking at the net assets of governmental and business-type activities separately provides additional information.

Marion County, Indiana
Schedule of Net Assets
December 31, 2002

	Governmental Activities 2002	Business-type Activities 2002	Total 2002
Assets:			
Current and other assets	\$ 90,248,550	\$ 640,178	\$ 90,888,728
Capital assets, net of accumulated depreciation	<u>73,030,718</u>	<u>3,640,000</u>	<u>76,670,718</u>
Total assets	<u>163,279,268</u>	<u>4,280,178</u>	<u>167,559,446</u>
Liabilities:			
Long-term liabilities outstanding	44,053,911	—	44,053,911
Other liabilities	<u>81,275,521</u>	<u>309,750</u>	<u>81,585,271</u>
Total liabilities	<u>125,329,432</u>	<u>309,750</u>	<u>125,639,182</u>
Net assets:			
Invested in capital assets, net of related debt	33,206,103	3,640,000	36,846,103
Unrestricted	<u>4,743,733</u>	<u>330,428</u>	<u>5,074,161</u>
Total net assets	<u>\$ 37,949,836</u>	<u>\$ 3,970,428</u>	<u>\$ 41,920,264</u>

ANALYSIS OF NET ASSETS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. In Marion County, assets exceeded liabilities by \$41.9 million at the close of fiscal year 2002. The largest portion of the County's net assets, 87.9%, reflects its investment of \$36.8 million in capital assets (e.g. land, buildings, equipment and infrastructure), less related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens: consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

All net assets generated by governmental activities or business-type activities are invested in capital assets or have no restrictions on how they may be used. Unrestricted governmental net assets were \$4.8 million at the end of the year, and unrestricted net assets of the business-type activities were \$330 thousand at the end of the year. At the end of 2002, the County is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in net assets. The County's total revenue on a government-wide basis for 2002 was \$228.8 million. Taxes represent 67.7% of the County's revenue. Another 21.2% came from fees charged for services and the remainder came from grants and contributions, interest earnings, and miscellaneous revenues.

The total cost of all programs and services was \$240.4 million. The County's expenses cover a range of typical County services. The largest program and the program with the largest burden on general revenues was Protection of People and Property.

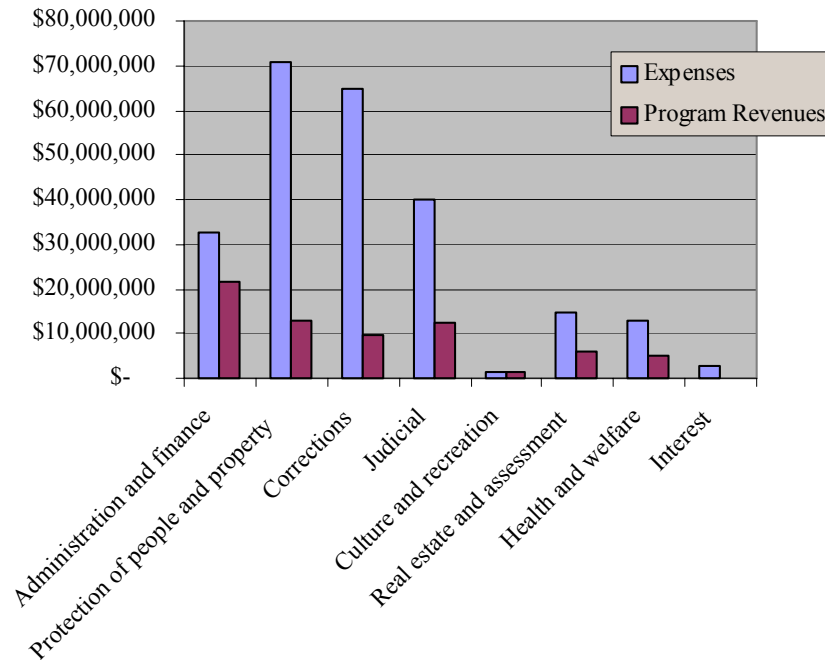
Marion County, Indiana
Schedule of Changes in Net Assets
For the Year Ended December 31, 2002

	Governmental Activities 2002	Business-type Activities 2002	Total 2002
Revenues:			
Program revenues:			
Charges for services	\$ 47,597,992	\$ 840,872	\$ 48,438,864
Operating grants and contributions	21,229,035	—	21,229,035
General revenues:	—		
Property tax	110,159,928	—	110,159,928
Other taxes	44,698,934	—	44,698,934
Other general revenues	4,311,323	—	4,311,323
Total revenues	<u>227,997,212</u>	<u>840,872</u>	<u>228,838,084</u>
Expenses:			
Administration and finance	32,505,602	—	32,505,602
Protection of people and property	70,927,052	—	70,927,052
Corrections	64,605,117	—	64,605,117
Judicial	40,035,570	—	40,035,570
Culture and recreation	1,396,038	—	1,396,038
Real estate and assessment	14,645,783	—	14,645,783
Health and welfare	12,758,374	—	12,758,374
Interest	2,932,964	—	2,932,964
Forensics training	—	103,793	103,793
Juvenile court alternative school services	—	515,000	515,000
Total expenses	<u>239,806,500</u>	<u>618,793</u>	<u>240,425,293</u>
Increase (decrease) in net assets	(11,809,288)	222,079	(11,587,209)
Net assets - beginning of year	49,777,124	3,748,349	53,525,473
Net assets - end of year	<u>\$ 37,967,836</u>	<u>\$ 3,970,428</u>	<u>\$ 41,938,264</u>

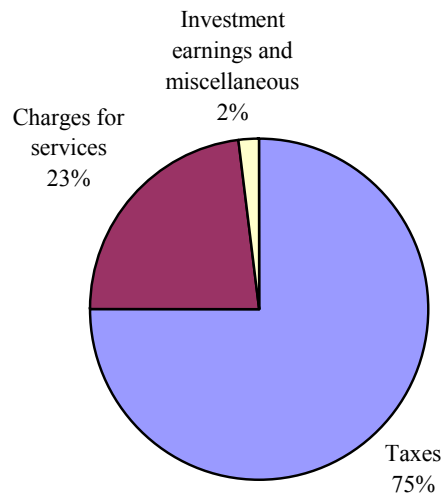
Governmental Activities. Governmental activities decreased the County's net assets by \$11.8 million. Since this was the first year for government-wide reporting, changes from last year to this year cannot be reported. However, the primary factor influencing this decrease was an unfunded debt to the State of Indiana for the incarceration of juveniles, both boys and girls, in state institutions that increased by \$18.6 million.

The following charts provide comparisons of the County's governmental program revenues and expenses by function and revenues by source. As shown, Protection of People and Property is the largest function in expense. General revenues such as property tax are not shown by program, but are included in the revenues by source chart to show their significance. Taxes are used to support program activities countywide.

Expenses and Program Revenues - Governmental Activities

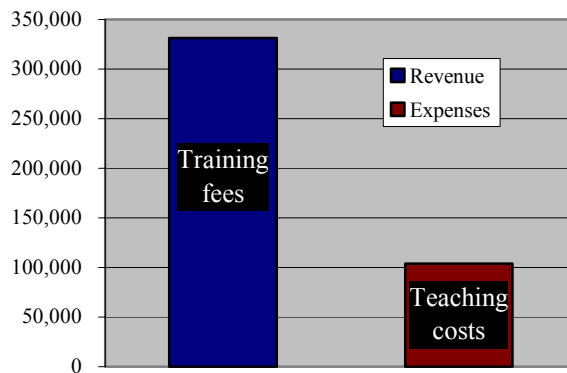


Revenues by Source - Governmental Activities

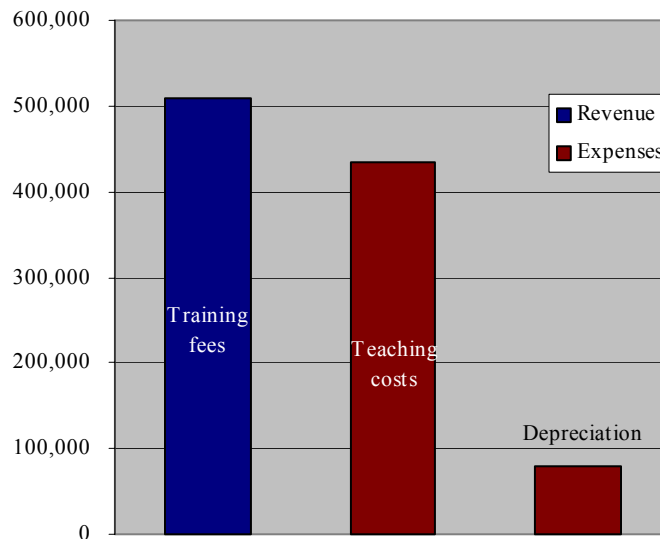


Business-type activities. At the juvenile alternative school, operating revenues were \$509 thousand and operating expenses were \$515 thousand, including \$80 thousand for depreciation. Operating revenues from the forensic services training were received from entities that sent individuals to the County's forensic services agency for training. These revenues were \$331 thousand in 2002. The operating expenses to train these individuals were \$104 thousand.

Forensic Training Revenues and Expenses



Juvenile Court Alternative School Services Revenues and Expenses



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The focus of the County's governmental funds is to provide information on inflows and balances of resources that are available for spending. An unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At December 31, 2002, the unreserved fund balance (deficit) of the General Fund was (\$25.8 million), while the total General Fund balance (deficit) was (\$24.5 million). The fund balance in the County's General Fund decreased by \$31.2 million. The decrease in the General Fund is primarily due to the increase in the debt owed to the State of Indiana for the incarceration of Marion County juveniles. This debt increased by \$18.6 million in 2002. The remaining decrease is due to increased spending without a corresponding increase in revenues. The State and Federal Grants Fund had an unreserved fund balance of zero. This is an increase over the 2001 fund balance. The grants received under the State and Federal Grants Fund by the County are primarily on a reimbursement basis, therefore, the fund balance will fluctuate depending upon the timing of the receipt of the reimbursements. The Property Reassessment Fund had an unreserved fund balance and total fund balance of \$4.5 million, which was the decrease of \$0.5 million from the prior year. The Indiana Tax Court ordered the County to change its tax base calculation to reflect property values closer to market value. The decrease in the Property Reassessment Fund, therefore, is due to the continued county-wide property reassessment process underway in 2002. The Cumulative Capital Development Fund's unreserved and total fund balance decreased by \$40 thousand to \$585 thousand. The decrease in this fund is due to an increased distribution to the City of Indianapolis as well as increased public safety expenditures.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the year, the unrestricted net assets were \$102,849 in the Juvenile Alternative School Services Fund and \$227,579 for the Forensic Services Training Fund. The Forensics Services Training Fund is a new fund created in 2002 for the training of forensic science to foreign and domestic students. The \$227,579 in unrestricted net assets is due to tuition fees in excess of the cost of training. This is also true for the Juvenile Court Alternative School Services Fund. The \$102,849 in net assets is because of tuition fees charged in excess of services provided. The internal service fund, which is used to account for the operations of the County's management information systems, had \$3.8 million in unrestricted net assets at year-end. The \$3.8 million in unrestricted net assets at the end of 2003 was due to the methodology used to calculate the user fee chargebacks. The fees are calculated on the budgetary figures. In 2002, the Information Services Agency (ISA) was able to control spending and come in under budget; however, the rate was not adjusted to reflect the underspending. For 203, the rates will be adjusted to take this into account and adjust the chargebacks to the agencies accordingly.

Fiduciary Funds

The County is the custodian of certain agency funds, and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of the other entities, there are no assets. As of the end of 2002, the combined gross assets of the agency funds totaled \$132 million.

General Fund Budgetary Highlights

The final budget for the County's General Fund represents the original budget plus any additional supplemental appropriations during the year. It does not include encumbrances carried over from the prior year. In 2002, there were \$4.9 million of supplemental appropriations to the General Fund. These additional appropriations consisted primarily of \$4.0 million for chargebacks to the Internal Services Fund for information technology. These increases were funded with \$4.0 million of new revenues and the difference from fund balances.

Excluding prior year encumbrances, the original General Fund budget for 2002 was \$181.6 million. The final General Fund budget was \$186.5 million. Actual expenditures were \$184.2 million. Of the total underspending from the final budget, \$1.6 million was in public safety. General revenues and other resources were originally and finally estimated at \$168.7 million. The actual revenues were \$162.9 million, or 96.6% of the original and final estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County had a net investment of \$73.0 million in capital assets at December 31, 2002 (net of accumulated depreciation of \$59.2 million), in a broad range of capital assets for governmental activities. This amount represents a net increase for the current year (including additions and deductions) of \$13.4 million.

Marion County, Indiana Schedule of Capital Assets Net of Depreciation December 31, 2002

	Governmental Activities December 31, 2002	Business-type Activities December 31, 2002	Total 2002
Land	\$ 29,555	\$ —	\$ 29,555
Construction in progress	12,672,117	3,640,000	16,312,117
Buildings and improvements	39,261,282	—	39,261,282
Furniture and equipment	9,613,429	—	9,613,429
Vehicles	11,454,335	—	11,454,335
Total	<u>\$ 73,030,718</u>	<u>\$ 3,640,000</u>	<u>76,670,718</u>

Major capital assets additions in 2002 included:

- Construction in progress \$12.7 million
- Furniture and Equipment \$ 2.6 million
- Vehicles \$ 4.1 million

Additional information on the County's capital assets can be found in Note 7 of the Notes to the Basic Financial Statements.

Long-term Debt

At the end of 2002, the County had outstanding long-term debt and other long-term obligations for governmental activities of \$57.7 million compared to \$56.3 million at December 31, 2001, as shown below.

Marion County, Indiana Schedule of Long-term Debt Obligations

Governmental activities:	
General obligation notes	\$ 20,000,000
Capital leases payable	29,648,428
Claims and judgments	725,000
Compensated absences	5,921,718
Total	<u>\$ 56,295,146</u>

Bond ratings. The County's general obligation bonds have been rated Aa by all three bond rating agencies.

Limitation on debt. The state limits the amount of general obligation debt the County can issue to 0.67% of assessed value, as shown in the statistical section. The County's outstanding debt is well below the limit.

ECONOMIC FACTORS AND THE 2003 BUDGET

The original budget for all annually-budgeted funds was \$238.6 million plus the Family and Children's Fund budget of \$71.5 million. Revisions of \$2.5 million have been made through June 2003 plus \$1.8 million appropriated for the Family and Children's Fund.

The 2003 General Fund original budget was \$186,688,270, an increase of 2.79% over the 2002 original General Fund budget of \$181,628,282. Revisions of \$1,433,612 have been made through June 2003.

List of Additional appropriations made 1/1/03-6/30/03

Sheriff's Department	Jail Beds Funded by City	\$ 1,398,249
Pike Township Assessor	Office Rent	35,363

- The County's unemployment rate decreased from 4.6% for May 2002 to 4.5% for May 2003. This compares with the state's rate decreasing from 4.6% to 4.5% and the national rate increasing from 5.8% to 6.1%.
- The County expects to continue to face increasing costs for its Boys/Girls School obligations.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives.

If you have any questions about this report or need additional information, please contact Marion County Auditor's Office, Suite 801, 200 East Washington Street, Indianapolis, Indiana 46204.



BASIC FINANCIAL STATEMENTS

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF NET ASSETS
DECEMBER 31, 2002

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 56,500,393	\$ 507,178	\$ 57,007,571
Receivables (net of allowance for uncollectibles):			
Taxes	13,350,029	—	13,350,029
Accrued interest	15,759	—	15,759
Intergovernmental	15,547,200	133,000	15,680,200
Other	255,967	—	255,967
Net pension asset	4,579,202	—	4,579,202
Capital assets (net of accumulated depreciation):			
Land	29,555	—	29,555
Buildings and improvements	39,261,282	3,640,000	42,901,282
Furniture and equipment	9,613,429	—	9,613,429
Vehicles	11,454,335	—	11,454,335
Construction in progress	12,672,117	—	12,672,117
Total assets	<u>163,279,268</u>	<u>4,280,178</u>	<u>167,559,446</u>
Liabilities			
Accounts payable	13,546,757	—	13,546,757
Accrued liabilities	5,847,374	—	5,847,374
Intergovernmental payables	47,623,673	10,375	47,634,048
Unearned revenue	640,447	299,375	939,822
Long-term liabilities:			
Due within one year	13,617,270	—	13,617,270
Due in more than one year	44,053,911	—	44,053,911
Total liabilities	<u>125,329,432</u>	<u>309,750</u>	<u>125,639,182</u>
Net Assets			
Invested in capital assets, net of related debt	33,206,103	3,640,000	36,846,103
Unrestricted	4,743,733	330,428	5,074,161
Total net assets	<u>\$ 37,949,836</u>	<u>\$ 3,970,428</u>	<u>\$ 41,920,264</u>

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Administration and finance	\$ 32,505,602	\$ 21,466,203	\$ —	\$ (11,039,399)	\$ —	\$ (11,039,399)
Protection of people and property program	70,927,052	8,561,777	4,353,944	(58,011,331)	—	(58,011,331)
Corrections program	64,605,117	5,858,863	3,855,278	(54,890,976)	—	(54,890,976)
Judicial program	40,035,570	5,836,559	6,609,646	(27,589,365)	—	(27,589,365)
Culture and recreation program	1,396,038	1,745	1,438,176	43,883	—	43,883
Real estate and assessments program	14,645,783	5,872,845	—	(8,772,938)	—	(8,772,938)
Health and welfare	12,758,374	—	4,971,991	(7,786,383)	—	(7,786,383)
Interest on long-term debt	2,932,964	—	—	(2,932,964)	—	(2,932,964)
Total governmental activities	239,806,500	47,597,992	21,229,035	(170,979,473)	—	(170,979,473)
Business-type activities:						
Forensic training	103,793	331,372	—	—	227,579	227,579
Juvenile court alternative school services	515,000	509,500	—	—	(5,500)	(5,500)
Total business-type activities	618,793	840,872	—	—	222,079	222,079
Total	\$ 240,425,293	\$ 48,438,864	\$ 21,229,035	(170,979,473)	222,079	(170,757,394)
General revenues:						
Property taxes				110,159,928	—	110,159,928
Financial institution tax				1,272,952	—	1,272,952
Excise tax				10,866,112	—	10,866,112
Local option income tax				32,132,791	—	32,132,791
Other state and local taxes				427,079	—	427,079
Unrestricted investment earnings				4,311,323	—	4,311,323
Total general revenues				159,170,185	—	159,170,185
Change in net assets				(11,809,288)	222,079	(11,587,209)
Net assets - beginning of year				49,759,124	3,748,349	53,507,473
Net assets - end of year				\$ 37,949,836	\$ 3,970,428	\$ 41,920,264

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2002

	<u>General</u>	<u>State and Federal Grants</u>	<u>Property Reassessment</u>	<u>Cumulative Capital Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash and investments	\$ 30,565,581	\$ 39,438	\$ 4,631,922	\$ 712,650	\$ 17,013,314	\$ 52,962,905
Receivables (net of allowance for uncollectibles)						
Accrued interest	14,221	—	1,453	—	85	15,759
Intergovernmental	10,642,501	2,629,412	—	—	84,146	13,356,059
Other	137,835	—	—	—	79,896	217,731
Due from other funds	13,424,204	—	72,339	370,442	377,313	14,244,298
Total assets	<u>\$ 54,784,342</u>	<u>\$ 2,668,850</u>	<u>\$ 4,705,714</u>	<u>\$ 1,083,092</u>	<u>\$ 17,554,754</u>	<u>\$ 80,796,752</u>
Liabilities and Fund Balances (Deficits)						
Liabilities:						
Accounts payable	\$ 5,492,674	\$ 611,286	\$ 15,045	\$ —	\$ 556,181	\$ 6,675,186
Accrued liabilities	5,134,643	194,897	89,389	—	387,477	5,806,406
Intergovernmental payables	46,818,518	—	—	—	805,155	47,623,673
Due to other funds	5,169,832	796,900	—	—	59,132	6,025,864
Deferred revenue	16,714,089	1,065,767	97,287	498,516	538,929	18,914,588
Total liabilities	<u>79,329,756</u>	<u>2,668,850</u>	<u>201,721</u>	<u>498,516</u>	<u>2,346,874</u>	<u>85,045,717</u>
Fund balances (deficit):						
Reserved for:						
Encumbrances	1,239,170	—	26,186	—	122,377	1,387,733
Debt service	—	—	—	—	515,267	515,267
Unreserved, reported in:						
General fund	(25,784,584)	—	—	—	—	(25,784,584)
Special revenue funds	—	—	4,477,807	—	14,580,796	19,058,603
Capital projects funds	—	—	—	584,576	(10,560)	574,016
Total fund balances	<u>(24,545,414)</u>	<u>—</u>	<u>4,503,993</u>	<u>584,576</u>	<u>15,207,880</u>	<u>(4,248,965)</u>
Total liabilities and fund balances	<u>\$ 54,784,342</u>	<u>\$ 2,668,850</u>	<u>\$ 4,705,714</u>	<u>\$ 1,083,092</u>	<u>\$ 17,554,754</u>	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds statements						67,440,804
Revenues not available in fund statements but earned and recognized in statement of net assets						18,274,141
Internal service fund is used by management to charge the costs of information technology to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets						5,432,790
Net pension asset not recorded in the funds statement						4,579,202
Long-term liabilities including capital leases are not due and payable in the current period and therefore are not reported in the funds						(53,528,136)
Net assets of governmental activities						<u>\$ 37,949,836</u>

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>General</u>	<u>State and Federal Grants</u>	<u>Property Reassessment</u>	<u>Cumulative Capital Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Taxes	\$ 132,204,933	\$ —	\$ 1,838,394	\$ 9,223,125	\$ 10,874,564	\$ 154,141,016
Intergovernmental	10,775,940	10,232,027	—	—	1,379,185	22,387,152
Interest	4,415,849	—	71,596	—	8,318	4,495,763
Charges for services	11,126,660	—	—	—	10,565,456	21,692,116
Miscellaneous	4,805,608	—	2,495	372,890	189,298	5,370,291
Total revenues	<u>163,328,990</u>	<u>10,232,027</u>	<u>1,912,485</u>	<u>9,596,015</u>	<u>23,016,821</u>	<u>208,086,338</u>
Expenditures						
Current:						
General government	90,888,822	2,495,716	2,423,330	—	3,829,561	99,637,429
Public safety	102,258,477	7,398,888	—	—	8,027,677	117,685,042
Welfare	1,816,011	—	—	—	—	1,816,011
Capital outlay	13,375,988	—	—	5,485,212	—	18,861,200
Distribution to the City of Indianapolis	—	—	—	4,150,407	—	4,150,407
Debt service:						
Principal	—	—	—	—	10,000,000	10,000,000
Interest and fiscal charges	—	—	—	—	994,392	994,392
Total expenditures	<u>208,339,298</u>	<u>9,894,604</u>	<u>2,423,330</u>	<u>9,635,619</u>	<u>22,851,630</u>	<u>253,144,481</u>
Excess (deficiency) of revenues over expenditures:	<u>(45,010,308)</u>	<u>337,423</u>	<u>(510,845)</u>	<u>(39,604)</u>	<u>165,191</u>	<u>(45,058,143)</u>
Other Financing Sources (Uses)						
Transfers in	461,682	—	—	—	41,747	503,429
Transfers out	—	—	—	—	(532,440)	(532,440)
Proceeds from capital lease additions	13,375,988	—	—	—	—	13,375,988
Total other financing sources and uses	<u>13,837,670</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(490,693)</u>	<u>13,346,977</u>
Net change in fund balances	(31,172,638)	337,423	(510,845)	(39,604)	(325,502)	(31,711,166)
Fund balances (deficit) - beginning of year	6,627,224	(337,423)	5,014,838	624,180	15,533,382	27,462,201
Fund balances (deficit) - end of year	<u>\$ (24,545,414)</u>	<u>\$ —</u>	<u>\$ 4,503,993</u>	<u>\$ 584,576</u>	<u>\$ 15,207,880</u>	<u>\$ (4,248,965)</u>

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
ACTIVITIES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002

Amounts reported for governmental activities in the statement of activities (page 25) are different because:

Net changes in fund balances—total governmental funds (page 25)	\$ (31,711,166)
Depreciation expense reported in the statement of activities but not in the funds statements	(4,144,006)
Capital expenditures reported in the funds statements but not reported as additions to capital assets in the statement of activities	6,334,458
Loss on disposal of capital assets not recorded in the funds statement	(791,143)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	7,757,365
Notes principal payments reported as expenditures in the funds statements but as reductions of long-term liabilities in the statement of activities	10,000,000
Capital lease principal payments reported as expenditures in the funds statements but as reductions of long-term liabilities in the statement of activities	1,561,837
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported a expenditures in governmental funds.	(816,633)
Change in net assets of governmental activities (page 23)	<u>\$ (11,809,288)</u>

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2002

	Business-type Activities - Enterprise Funds			Governmental Activities— Internal Service Fund
	Forensics Training	Juvenile Court Alternative School Services	Total	
Assets				
Current assets:				
Cash and investments	\$ 173,579	\$ 333,599	\$ 507,178	\$ 3,537,488
Due from other funds	—	—	—	1,366,922
Intergovernmental receivables	54,000	79,000	133,000	2,191,141
Total current assets	227,579	412,599	640,178	7,095,551
Non-current assets:				
Capital assets:				
Buildings and improvements	—	4,000,000	4,000,000	—
Furniture and equipment	—	—	—	11,642,236
Less accumulated depreciation	—	(360,000)	(360,000)	(6,052,322)
Total capital assets (net of accumulated depreciation)	—	3,640,000	3,640,000	5,589,914
Total noncurrent assets	—	3,640,000	3,640,000	5,589,914
Total assets	227,579	4,052,599	4,280,178	12,685,465
Liabilities				
Current liabilities:				
Accounts payable	—	—	—	3,068,661
Accrued liabilities	—	—	—	87,726
Compensated absences	—	—	—	109,745
Intergovernmental payable	—	10,375	10,375	—
Unearned income	—	299,375	299,375	—
Capital leases payable-current	—	—	—	1,409,530
Total current liabilities	—	309,750	309,750	4,675,662
Noncurrent liabilities:				
Capital leases payable	—	—	—	2,577,014
Total noncurrent liabilities	—	—	—	2,577,014
Total liabilities	—	309,750	309,750	7,252,676
Net Assets				
Invested in capital assets, net of related debt	—	3,640,000	3,640,000	1,603,370
Unrestricted	227,579	102,849	330,428	3,829,419
Total net assets	\$ 227,579	\$ 3,742,849	\$ 3,970,428	\$ 5,432,789

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Business-type Activities - Enterprise Funds			Governmental Activities— Internal Service Fund
	Forensics Training	Juvenile Court Alternative School Services	Total	
Operating revenues:				
Training fees	\$ 331,372	\$ —	\$ 331,372	\$ —
Student tuition	—	509,500	509,500	—
Charges for services	—	—	—	27,412,142
Other reimbursements	—	—	—	3,366,641
Miscellaneous	—	—	—	137,943
Total operating revenues	<u>331,372</u>	<u>509,500</u>	<u>840,872</u>	<u>30,916,726</u>
Operating expenses:				
Costs of teaching	103,793	435,000	538,793	—
Services and charges	—	—	—	22,975,599
Administration including salaries and wages	—	—	—	1,751,531
Depreciation	—	80,000	80,000	1,102,497
Other	—	—	—	60,895
Total operating expenses	<u>103,793</u>	<u>515,000</u>	<u>618,793</u>	<u>25,890,522</u>
Operating income (loss)	<u>227,579</u>	<u>(5,500)</u>	<u>222,079</u>	<u>5,026,204</u>
Nonoperating expenses:				
Interest expense	—	—	—	258,374
Total nonoperating expenses	<u>—</u>	<u>—</u>	<u>—</u>	<u>258,374</u>
Income (loss) before transfers	<u>227,579</u>	<u>(5,500)</u>	<u>222,079</u>	<u>4,767,830</u>
Transfers in	—	—	—	29,011
Change in net assets	<u>227,579</u>	<u>(5,500)</u>	<u>222,079</u>	<u>4,796,841</u>
Net assets - beginning of year	—	3,748,349	3,748,349	635,948
Net assets - end of year	<u>\$ 227,579</u>	<u>\$ 3,742,849</u>	<u>\$ 3,970,428</u>	<u>\$ 5,432,789</u>

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Business-type Activities - Enterprise Funds			Governmental Activities— Internal Service Fund
	Forensics Training	Juvenile Court Alternative School Services	Total	
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 277,372	\$ 555,250	\$ 832,622	\$ 16,570,122
Receipts from interfund services provided	—	—	—	14,082,144
Payments to suppliers	(103,793)	(435,000)	(538,793)	(23,664,871)
Payments to employees	—	—	—	(1,730,148)
Net cash provided by operating activities	173,579	120,250	293,829	5,257,247
Cash Flows from Noncapital Financing Activities				
Transfer from other funds	—	—	—	29,011
Net cash provided by noncapital financing activities	—	—	—	29,011
Cash Flows from Capital and Related Financing Activities				
Purchases of capital assets	—	—	—	(428,443)
Principal paid on capital leases	—	—	—	(1,637,961)
Interest paid on capital leases	—	—	—	(258,374)
Net cash used by capital and related financing activities	—	—	—	(2,324,778)
Net increase in cash and cash equivalents	173,579	120,250	293,829	2,961,480
Cash and cash equivalents - beginning of year	—	213,349	213,349	576,008
Cash and cash equivalents - end of year	\$ 173,579	\$ 333,599	\$ 507,178	\$ 3,537,488
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 227,579	\$ (5,500)	\$ 222,079	\$ 5,026,204
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	—	80,000	80,000	1,102,497
(Increase) in intergovernmental receivables	(54,000)	(84,500)	(138,500)	(686,092)
Increase in due from other funds	—	—	—	(181,139)
Decrease in accounts payable	—	—	—	(25,606)
Increase in accrued liabilities	—	—	—	15,580
Increase in compensated absences payable	—	—	—	5,803
Increase in intergovernmental payable	—	10,375	10,375	—
Increase in unearned income	—	119,875	119,875	—
Total adjustments	(54,000)	125,750	71,750	231,043
Net cash provided by operating activities	\$ 173,579	\$ 120,250	\$ 293,829	\$ 5,257,247

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2002

		Pension Trust Funds	Agency Funds
	Assets		
Cash and investments		\$ 111,637,272	\$ 56,693,232
Receivables:			
Property taxes		—	73,246,606
Accrued interest		370,803	—
Due from other funds		4,043,009	2,118,085
		<u>116,051,084</u>	<u>132,057,923</u>
Total assets			
	Liabilities		
Accrued liabilities		130,116	\$ —
Due to other funds		—	15,746,450
Pending purchase of investments		1,565,088	—
Amounts held in custody for others		—	116,311,473
		<u>1,695,204</u>	<u>132,057,923</u>
Total liabilities			
	Net Assets		
Net assets for employees' pension benefits		\$ <u>114,355,880</u>	

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 3,776,231
Employee	1,003,848
Total contributions	4,780,079
Investment earnings:	
Interest	3,039,444
Net increase (decrease) in the fair value of investments	(14,954,537)
Less investment expense	(425,834)
Net investment earnings (loss)	(12,340,927)
Miscellaneous	69,850
Total additions	(7,490,998)
Deductions	
Benefits	5,671,075
Total deductions	5,671,075
Change in net assets	(13,162,073)
Net assets - beginning of year	127,517,953
Net assets - end of year	\$ 114,355,880

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity:

Marion County is a unit of local government created by the State of Indiana, governed by the following officials, each of whom is granted certain independent executive authority under the State Constitution:

County Auditor	County Prosecutor	County Surveyor
County Treasurer	County Recorder	Clerk of the Circuit Court
County Coroner	County Sheriff	Judge of the Circuit Court

The legislature of the State of Indiana has provided for certain additional elected officials who are not mentioned in the Constitution to exercise certain independent executive authority. These are the county assessor, township assessors and superior court judges.

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, Marion County is considered a component unit of the Consolidated City of Indianapolis-Marion County. The County and the Consolidated City share a common executive and legislative body. Otherwise the County is considered a separate legal entity, with its elected officials directly and separately (from City officials) responsible for financial independence, operations and accountability for fiscal matters. Accordingly, the basic financial statements of the County are included in the reporting entity of the Consolidated City of Indianapolis-Marion County in accordance with guidelines established by the Governmental Accounting Standards Board (GASB).

Based on the criteria established in GASB 14, the County has no component units under the current financial reporting requirements.

Marion County has an investment in the Indianapolis-Marion County Building Authority; a joint venture with the Consolidated City of Indianapolis (City). Because the County shares joint control equally with the City, and the County and City retain an ongoing financial responsibility, information concerning this joint venture is included in Note 15.

B. Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and other items not properly included among program revenue.

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The County has determined that the General Fund, State and Federal Grants, Property Reassessment, and Cumulative Capital Development funds are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to net assets for governmental activities as shown on the statement of net assets. The net change in fund balances for all governmental funds is reconciled to the total change in net assets for governmental activities as shown on the statement of activities in the government-wide statements. The County has two enterprise funds (business-type activities), Juvenile Court Alternative

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

School Services and Forensics Training. Each of these enterprise funds is considered a major fund within the fund financial statements. Additionally, the County has one internal service fund (governmental activities) which accounts for the operations of the Information Services Agency. All internal service fund activity is combined into a single column on the proprietary fund statements, since major fund reporting requirements do not apply to internal service funds. The County also has two fiduciary fund types: pension trust funds and agency funds.

C. Financial Statement Presentation, Measurement Focus and Basis of Accounting:

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenue and expenditures, or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition, uses and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The governmental fund types utilize the current resources measurement focus.

The following are the County's major governmental funds:

The General Fund is used to account for all revenues and expenditures applicable to the general operations of governmental agencies of the County, except those required to be accounted for in another fund. All operating revenues which are not restricted as to use by sources external to the County are recorded in the General Fund.

The State and Federal Grants Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This fund accounts for the majority of the County's state and federal grants programs received from the U.S. Marshall, U.S. Department of Justice, U.S. National Highway Traffic Safety Administration, U.S. Department of Health and Human Services, State of Indiana Department of Corrections, Indiana Criminal Justice Institute, Indiana Division of Family and Children and various other state and federal agencies.

The Property Reassessment Fund is used for the purpose of receiving and holding in escrow tax distribution for the funding for the next property reassessment. Funds are held in escrow until distribution is authorized by the State Legislature, whereby; the distribution is made to each township assessor.

The Cumulative Capital Development Fund is used to account for financial resources to be used for the renovation and/or construction of major capital facilities as approved by the City-County Council, other than those financed by proprietary funds.

The other governmental funds of the County are considered nonmajor. They are special revenue funds which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes; debt service funds which account for the accumulation of resources for, and repayment of, general obligation long-term debt principal, interest and related costs, and; capital projects funds which account for resources designated to construct or acquire major capital facilities.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those found in the private sector. Proprietary funds utilize the economic resources measurement focus.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

The following are the County's proprietary fund types:

Enterprise – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private sector business enterprises – where the intent of the governing body is that the costs (including depreciation) of operations are financed primarily through user charges. Enterprise funds have been established for the Juvenile Court Alternative School Services and Forensics Training. The Juvenile Court Alternative School Services Fund accounts for the operation of the “New Directions Academy.” The Academy is financed through fees collected from local municipal school systems. The Forensics Training Fund is used to account for fees collected in providing training in forensic science to domestic and foreign students. The cost associated with training is to be recovered through the training fees charged.

Internal Service – Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis. An internal service fund has been established for the County's Information Services Agency, which provides information technology services to other agencies of the County, or to other governmental units on a cost-reimbursement basis.

In accordance with the provisions of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has elected, in addition to applying Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, to apply all FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements within the business-type activities in the government-wide financial statements and proprietary fund financial statements.

Fiduciary Fund Types

Fiduciary – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. These include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. The pension trust funds account for the Marion County Law Enforcement Personnel Retirement Plan and the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan. Agency funds are accounted for and reported similar to the proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for the collection, distribution and escrow of various tax types, fees and set aside funding.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and the tax rates are certified in the subsequent year. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. At year-end, entries are recorded for financial reporting purposes to reflect the modified accrual basis of accounting for governmental funds types and the accrual basis of accounting for the proprietary fund types and pension trust funds.

Under the modified accrual basis of accounting, revenues are recognized as they become susceptible to accrual, generally as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers taxes to be available if they are collected and distributed within 60 days of the end of the current fiscal period. For all other revenue items, the County considers revenues to be available if they are collected within 120 days of the end of the current

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

fiscal period. Significant revenues susceptible to accrual include property and other taxes, grants and interest on investments. Charges for services in the governmental funds are recognized as revenues when received in cash because they are generally not measurable until actually received. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures to long-term liabilities, such as compensated absences and claims and judgments, are recorded only when payment is due (i.e. matured).

GASB Statement No. 33 groups nonexchange transactions into four classes, based upon their principal characteristics: derived tax revenues, imposed exchange revenues, government mandated nonexchange transactions and voluntary nonexchange transactions.

The County recognizes assets from derived tax revenue transactions in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as deferred revenues until the period of the exchange.

The County recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted or at the same time as the assets of the government have not established time requirements. The County recognizes revenues from property taxes, net of estimated refunds and uncollectible amounts, in the period for which the tax is levied and the rates are certified. Imposed nonexchange revenues also include court fines and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33 have been met. Any resources received before eligibility requirements are met are reported as deferred revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Juvenile Court Alternative School Services are providing schooling to juveniles. All expenses related to the operations of the Forensics Training Fund are reported as operating expenses. Operating expenses for the Internal Service Fund include the cost of sales and services, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All agency funds are purely custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for similarly to the governmental funds.

For the pension trust funds, under the accrual basis of accounting, contributions are recognized in the period in which they are due and benefits are recognized when they become due and payable.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Investments:

Investments are stated at fair value. Fair value for investments are determined by closing market prices at year end as reported by the investment custodian. When funds pool cash for investment, income from the pooled investments is primarily allocated to the General Fund except when income is restricted by statute or an outside party to be used for a specific purpose.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

E. Receivables and Payables:

All outstanding balances between funds are reported as due to / from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

All trade and taxes receivable balances are shown net of an allowance for uncollectibles. See Note 1.F. for further discussion on property taxes.

F. Property Taxes:

Property taxes levied for all governmental entities located within Marion County are collected by the Treasurer of Marion County, Indiana (Treasurer). These taxes are then distributed by the Auditor of Marion County, Indiana (Auditor) to the County and the other governmental entities at June 30 and December 31 of each year. The County and the other governmental entities can request advances of their portion of the collected taxes from the Auditor once the levy and tax rates are certified by the State of Indiana, Department of Local Government Finance. The Department of Local Government Finance typically certifies the levy on or before February 15 of the year following the property tax assessment.

The County's 2002 property taxes were levied based on assessed valuations determined by the Auditor as of the March 1, 2001 assessed valuations which were adjusted for estimated appeals and tax credits and deductions. The lien date for the 2002 property taxes was March 1, 2001 (assessment date), however, the County does not recognize a receivable on the lien date as the amount of property tax to be collected can not be measured until the levy and tax rates are certified in the subsequent year. Taxable property is assessed at 33 1/3% of the true tax value. In 2002, taxes were due and payable to the Treasurer in two installments on May 10, 2002 and November 13, 2002. The Auditor distributed all property taxes collected by November 13, 2002 to each applicable governmental entity based upon their levy amounts prior to December 31, 2002. All taxes collected by the Treasurer and not distributed at December 31, 2002 (i.e., collections from November 14, 2002 to December 31, 2002) were held in the Treasurer's Tax Collections Agency Fund and are not considered available for fund statement purposes to the County as these monies will not be settled and distributed to the County until at least 60 days after year-end. Delinquent property taxes outstanding at December 31, 2002, net of allowance for uncollectible accounts of \$386,778 (\$326,085 in General Fund, \$5,387 in Property Reassessment Fund, \$27,653 in Cumulative Capital Development Fund and \$27,653 in other nonmajor governmental funds), are recorded as a receivable in the funds that will receive property taxes in 2002 in the government-wide statements. The funds statements have recorded the same receivable as a due from other funds (i.e. Treasurer's Tax Collections Fund) with a corresponding amount in deferred revenue since the amounts are not available to the County.

G. Inventory:

Purchase of materials and supplies in the governmental fund types and governmental activities are charged to expenditures as incurred. Amounts of inventories in such funds are immaterial. The proprietary fund types do not have inventory.

H. Capital Assets:

Capital assets, which include land; buildings and improvements; furniture and equipment; vehicles and construction in progress are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the County as assets with an initial, individual cost or donated value of more than \$1,000 and an estimated useful life in excess of one year. Such purchased or constructed assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Depreciation, including depreciation recognized on assets acquired through government grants is computed on the straight-line method with no salvage over the estimated useful lives of the various classes of assets. Further, in the year of acquisition and disposal, the County's policy is to take one-half of a year's depreciation expense for the related capital assets. The following range of lives is generally used:

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Years</u>
Buildings and improvements	20 to 50
Furniture and equipment	5 to 20
Vehicles	8 to 15

I. Deferred and Unearned Revenue:

Deferred revenue is reported in the fund statements for receivables not considered available at year-end or for which eligibility requirements have not been met. Deferred revenue is recognized as revenue when it is earned and considered measurable and available in the fund financial statements. See Note 1.C. for further discussion on the County's availability policy.

Unearned revenue is reported in the government-wide financial statements. The availability period does not apply; however, amounts may not be earned due to eligibility requirements or other reasons.

J. Compensated Absences:

Substantially all County employees earn benefit leave time. The County's benefit leave policy provides that, upon retirement or resignation, County employees are paid for their total unused benefit leave. In addition, upon retirement an employee may be paid for accumulated sick time at a rate of two for one. The entire cost of benefit and sick leave is recorded in the government-wide statements and in the proprietary funds in the financial statements. Certain amounts have been recorded in the governmental fund financial statements, since such amounts are due (i.e. mature) at December 31, 2002.

K. Interfund Transactions:

In the fund financial statements, the County has the following types of transactions among funds:

Transfers

Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services because they would be treated as revenues and expenditures or expenses if they involved organizations external to the County.

Within the accompanying activity from the statement of activities, direct expenses are not eliminated from the various functional categories. Indirect expenses are eliminated from the respective functional categories.

Certain internal payments are treated as program revenues, such as internal services provided and used. Certain internal payments are treated as a reduction of expense, such as reimbursements.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

L. Fund Balance / Net Assets:

In the fund financial statements, governmental funds report reservations for fund balances for the amounts that are not available for future appropriation or are legally restricted by outside parties for the use for specific purposes. Amounts are reserved for outstanding encumbrances and debt service. Designations of fund balance represent tentative management plans that are subject to change. At December 31, 2002, the County had no fund balance designations.

The government-wide and proprietary fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets, net of related debt, and unrestricted.

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Invested in Capital Assets, Net of Related Debt

This category groups all capital assets into one component of net assets. Accumulated depreciation and outstanding balances of debt including capital leases that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Unrestricted Net Assets

This category represents net assets of the County not included in invested in capital assets, net of related debt, or restricted for any project or other purpose.

M. Pensions:

The County has separate defined benefit pension plans which cover substantially all employees. The Indiana Public Employees Retirement Fund (PERF), administered by the State of Indiana, applies to County employees. The Marion County Law Enforcement Personnel Retirement Plan (Retirement Plan) and the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan (Disability Plan) cover employees of the Sheriff's Department. The policy of the County is to fund accrued pension costs for the plans. Past service costs are amortized over 40 years for all plans.

The plan assets of the Retirement and Disability Plans are accounted for under the accrual method. Employee and employer contributions are recognized as revenues in the period due pursuant to final commitments, as well as statutory or contractual requirements; and expenses, including benefits paid and refunds, are recorded when the corresponding payments are made. Investments are recorded at fair value. Bonds and stocks traded on a national exchange are valued at the reported sales price.

N. Estimates and Uncertainties:

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported changes in equity during the reporting period. Actual results could differ from those estimates.

O. Statement of Cash Flows:

For purposes of the statement of cash flows of the proprietary funds, cash and cash equivalents are considered deposits and any nonnegotiable certificates of deposits with a maturity within 90 days of purchase date.

P. Accounting Change and Reconciliation of Net Assets:

Effective January 1, 2002, the County adopted GASB Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – For State and Local Governments* (GASB No. 34), GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* (GASB No. 37), GASB Statement No. 38, *Certain Financial Statement Note Disclosures* (GASB No. 38) and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB No. 34 (as amended by GASB No. 37) represents a very significant change in the financial reporting model used by state and local governments.

GASB No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting. Government-wide financial statements do not provide information by fund or account group, but distinguish between the County's governmental activities and business-type activities on the statement of net assets and statement of activities. Additionally, the County's statement of net assets includes governmental capital assets and long-term liabilities of the County, which were previously recorded in the general fixed assets account group and the general long-term debt account group, respectively. In addition, the government-wide statement of activities reflects depreciation expense on the County's capital assets.

In addition to the government-wide financial statements the County has prepared fund financial statements, which continue to use the modified accrual basis of accounting for the County's General Fund, State and Federal Grants, Property Reassessment, Cumulative Capital Development, and nonmajor governmental funds, which is similar to that previously

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presented for these funds in the County's financial statements, although the format of financial statements has been modified by GASB No. 34.

GASB No. 34 also includes, as required supplementary information, Management's Discussion and Analysis, which provides an analytical overview of the County's financial activities. In addition, budgetary comparison schedules are presented as required supplementary information which compare the original and final revised General Fund budget, State and Federal Grants budget, and Property Reassessment budget with actual results.

GASB No. 38 requires certain disclosures to be made in the notes to the basic financial statements concurrent with the implementation of GASB No. 34. While this statement did not affect amounts reported in the financial statements of the County, certain note disclosures have been added and amended including descriptions of activities of major funds, future debt service and lease obligations in five year increments, and interfund balances and transactions.

These statements had a significant effect on the County's financial reporting model. All statements were retroactively applied to January 1, 2002. Reconciliation of net assets within the government-wide financial statements is as follows:

Beginning fund equity, as previously reported	\$27,025,208
Required GASB 34 adjustments as of December 31, 2001:	
Capital assets, net accumulated depreciation	58,000,667
Long-term and other liabilities	(50,670,641)
Revenue recognition	15,076,776
Expense recognition - interest	(318,082)
Net pension asset	4,393,545
	<hr/>
Beginning fund equity	<u><u>\$53,507,473</u></u>

Q. New Accounting Pronouncements:

GASB has issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, Statement No. 40, *Deposit and Investment Risk Disclosure*, and GASB Technical Bulletin No. 2003-1, *Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets*. The County intends to implement these GASB Statements and technical bulletins on their respective effective dates.

NOTE 2—CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds, except the Pension Trust Funds. Each fund type's portion of this pool is displayed in the financial statements as "cash and investments." In addition, investments are held separately in several of the County's funds. The deposits and investments of the Pension Trust Funds are held separately from those of other County funds.

The County's cash deposits (including cash equivalents) and non-negotiable certificates of deposit are insured in full at December 31, 2002 by the combination of federal depository insurance and the Indiana Public Deposit Insurance Fund. The County's cash equivalents held during 2002 consisted entirely of non-negotiable certificate of deposits with a maturity date within 90 days of date of purchase.

State statutes authorize the County to invest in certificates of deposit, obligations of the U.S. government and U.S. government agencies, and repurchase agreements. The statutes further require that repurchase agreements must be collateralized at 100% of market value on the day of trade by U.S. government or U.S. government agency obligations. The Pension Trust Funds are authorized to invest in bonds, debentures, notes, obligations of the U.S. Treasury, U.S. government agencies, mutual funds, and other corporate securities.

The County's investments are categorized to give an indication of the level of custodial credit risk assumed at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party, or by its trust department or agent but not in the County's name.

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Investments in pools managed by other governments, mutual funds or in guaranteed investment contracts that are not evidenced by a physical security are not required to be categorized.

The following is a summary of the investments as well as a reconciliation of cash and investments as shown on the statement of net assets at December 31, 2002:

	Category - 3 Carrying Amount	Reported Amount / Fair Value
U.S. government and agency obligations	\$ 11,275,656	\$ 11,275,656
Foreign government obligations	205,113	205,113
Corporate obligations	20,241,115	20,241,115
Corporate equity securities	74,806,538	74,806,538
Total investments	<u>\$ 106,528,422</u>	<u>106,528,422</u>
Cash deposits		<u>118,809,653</u>
Total cash and investments		<u>\$ 225,338,075</u>

The following is a reconciliation of the County's deposit and investments balances at December 31, 2002.

	Government- wide Statement of Net Assets	Fiduciary Funds Statement of Fiduciary Net Assets	Total
Cash and investments	\$ <u>57,007,571</u>	\$ <u>168,330,504</u>	\$ <u>225,338,075</u>

NOTE 3—RECEIVABLES

All net receivables amounts outstanding at December 31, 2002 are scheduled for collection during the subsequent fiscal year.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2002, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

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	<u>Unavailable</u>	<u>Unearned</u>
Taxes receivable, net of allowance for uncollectible accounts	\$ 13,352,708	\$ —
Grant reimbursements not received within 120 days	<u>3,361,381</u>	<u>—</u>
Total General Fund	<u>16,714,089</u>	<u>—</u>
Grant draw downs prior to meeting all eligibility requirements	—	640,447
Grant reimbursements not received within 120 days	<u>425,320</u>	<u>—</u>
Total State and Federal Grants	<u>425,320</u>	<u>640,447</u>
Taxes receivable, net of allowance for uncollectible accounts	<u>97,287</u>	<u>—</u>
Total Property Reassessment	<u>97,287</u>	<u>—</u>
Taxes receivable, net of allowance for uncollectible accounts	<u>498,516</u>	<u>—</u>
Total Cumulative Capital Development	<u>498,516</u>	<u>—</u>
Taxes receivable, net of allowance for uncollectible accounts	505,387	—
Grant reimbursements not received within 120 days	16,816	—
Other	<u>16,726</u>	<u>—</u>
Total nonmajor governmental funds	<u>538,929</u>	<u>—</u>
Total	<u>\$ 18,274,141</u>	<u>\$ 640,447</u>

NOTE 4—INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at December 31, 2002 are as follows:

	<u>Governmental Activities</u>				<u>Business-type Activities</u>	
	<u>General Fund</u>	<u>State & Federal Grants Fund</u>	<u>Other Non-major</u>	<u>Internal Service</u>	<u>Juvenile Court Alternative School Services</u>	<u>Forensics Training</u>
State of Indiana Department of Corrections	\$ 40,040	\$ 209,920	\$ —	\$ —	\$ —	\$ —
Indiana Criminal Justice Institute	—	1,576,984	—	—	—	—
Indiana Division of Family and Children	3,429,131	188,400	—	—	—	—
State of Indiana - Other	1,421,997	—	—	—	—	—
U.S. Department of Immigration	4,277	—	—	—	—	—
U.S. Department of Justice	10,619	310,075	—	—	—	—
U.S. Marshall	233,895	2,153	—	—	—	—
City of Indianapolis	5,453,856	269,365	10,253	2,115,246	—	—
Other governmental entities	<u>48,686</u>	<u>72,515</u>	<u>73,893</u>	<u>75,895</u>	<u>79,000</u>	<u>54,000</u>
	<u>\$ 10,642,501</u>	<u>\$ 2,629,412</u>	<u>\$ 84,146</u>	<u>\$ 2,191,141</u>	<u>\$ 79,000</u>	<u>\$ 54,000</u>

All amounts are expected to be received in 2003.

NOTE 5—ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts, which have been deducted from the related receivable in the government-wide statement of net assets, consists of the following balances:

Governmental activities:	
Tax receivable - General Fund	\$326,085
Tax receivable - Property Reassessment	5,387
Tax receivable - Cumulative Capital Development	27,653
Tax receivable - Nonmajor governmental funds	27,653

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

NOTE 6—INTERFUND TRANSACTIONS AND BALANCES

Funds are transferred from one fund to support expenditures of other funds in accordance with authority established for the individual fund. The composition of due to / from other funds as of December 31, 2002, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	State and Federal Grants	\$ 796,900
	Nonmajor Governmental Funds	59,132
	Fiduciary - Agency Funds	12,568,172
		<u>13,424,204</u>
Property Reassessment	Fiduciary - Agency Funds	<u>72,339</u>
Cumulative Capital Development	Fiduciary - Agency Funds	<u>370,442</u>
Internal Service Fund	General Fund	<u>1,366,922</u>
Nonmajor Governmental Funds	Fiduciary - Agency Funds	<u>377,313</u>
Fiduciary - Pension Trust Funds	General Fund	3,802,910
	Fiduciary - Agency Funds	240,099
		<u>4,043,009</u>
Fiduciary - Agency Funds	Fiduciary - Agency Funds	<u>2,118,085</u>
Total		<u><u>\$ 21,772,314</u></u>

All of these interfund balances are due to (1) unsettled property taxes outstanding at December 31, 2002, (2) timing differences, (3) pension contributions, or (4) the elimination of negative cash balances with the various funds. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2003 or when the property taxes are collected and settled.

Interfund transfers for the year ended December 31, 2002 consisted of the following:

<u>Transfer To</u>	<u>Transfer From Nonmajor Governmental Funds</u>
General Fund	\$ 461,682
Internal Service Fund	29,011
Nonmajor Governmental Funds	41,747
	<u>\$ 532,440</u>

Interfund transfers were used (1) to move revenues from the fund that ordinance or budget requires to collect them to the fund which will ultimately expend them, 2) use unrestricted revenues collected in one fund to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

MARION COUNTY, INDIANA
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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

NOTE 7—CAPITAL ASSETS

The following is a summary of changes in capital assets-governmental activities for the year ended December 31, 2002:

	Balance January 1, 2002	Additions	Reductions	Balance December 31, 2002
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 29,555	\$ —	\$ —	\$ 29,555
Construction in progress	—	12,672,117	—	12,672,117
Total capital assets, not being depreciated	<u>29,555</u>	<u>12,672,117</u>	<u>—</u>	<u>12,701,672</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	76,318,792	—	—	76,318,792
Furniture and equipment	23,290,889	2,644,949	(719,982)	25,215,856
Vehicles	15,728,952	4,117,952	(1,822,803)	18,024,101
Total capital assets being depreciated	<u>115,338,633</u>	<u>6,762,901</u>	<u>(2,542,785)</u>	<u>119,558,749</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(35,558,183)	(1,499,327)	—	(37,057,510)
Furniture and equipment	(14,426,131)	(1,896,278)	719,982	(15,602,427)
Vehicles	(5,750,528)	(1,850,898)	1,031,660	(6,569,766)
Total accumulated depreciation	<u>(55,734,842)</u>	<u>(5,246,503)</u>	<u>1,751,642</u>	<u>(59,229,703)</u>
Total capital assets, being depreciated, net	<u>59,603,791</u>	<u>1,516,398</u>	<u>(791,143)</u>	<u>60,329,046</u>
Governmental activities capital assets, net	<u>\$ 59,633,346</u>	<u>\$ 14,188,515</u>	<u>\$ (791,143)</u>	<u>\$ 73,030,718</u>

Construction in progress consists of renovation of the new arrestee processing center at Jail II.

The following is a summary of changes in capital assets – business type activities for the year ended December 31, 2002:

	Balance January 1, 2002	Additions	Reductions	Balance December 31, 2002
Business-type activities:				
<i>Capital assets, being depreciated:</i>				
Building	\$ 4,000,000	\$ —	\$ —	\$ 4,000,000
Total capital assets being depreciated	<u>4,000,000</u>	<u>—</u>	<u>—</u>	<u>4,000,000</u>
<i>Less accumulated depreciation for:</i>				
Building	(280,000)	(80,000)	—	(360,000)
Total accumulated depreciation	<u>(280,000)</u>	<u>(80,000)</u>	<u>—</u>	<u>(360,000)</u>
Total capital assets, being depreciated, net	<u>3,720,000</u>	<u>(80,000)</u>	<u>—</u>	<u>3,640,000</u>
Business-type activities capital assets, net	<u>\$ 3,720,000</u>	<u>\$ (80,000)</u>	<u>\$ —</u>	<u>\$ 3,640,000</u>

All business-type activities are reported in the Juvenile Court Alternative School Services Fund.

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Within the statement of activities, depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:

Administration and finance	\$ 425,723
Protection of people and property program	2,142,593
Corrections program	686,030
Judicial program	737,812
Real estate and assessments program	106,429
Health and welfare	45,419
Depreciation on capital assets held by the government's internal services are charged to the administration and finance function	<u>1,102,497</u>

Total depreciation expense - governmental activities	<u>\$ 5,246,503</u>
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Business-type activities:

Juvenile Court Alternative School Services	<u>\$ 80,000</u>
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Total depreciation expense - business-type activities	<u>\$ 80,000</u>
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NOTE 8—ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES DISAGGREGATION

Accounts payable and other current liabilities at December 31, 2002 are as follows:

	<u>Vendors</u>	<u>Salaries and Employee Benefits</u>	<u>Intergovern- mental</u>	<u>Claims and Settlements</u>	<u>Other- Pension Trust Contributions</u>	<u>Total Payables and Other Current Liabilities</u>
Governmental activities:						
General Fund	\$ 5,489,174	\$ 5,134,643	\$ 46,818,518	\$ 3,500	\$ —	\$ 57,445,835
State and Federal Grants	611,286	194,897	—	—	—	806,183
Property Reassessment	15,045	89,389	—	—	—	104,434
Other nonmajor governmental funds	556,181	387,477	805,155	—	—	1,748,813
Internal Service Fund	3,068,661	197,471	—	—	—	3,266,132
Reconciliation of balances in fund financial statements to government -wide financial statements	<u>—</u>	<u>(156,503)</u>	<u>—</u>	<u>—</u>	<u>3,802,910</u>	<u>3,646,407</u>
Total - governmental activities	<u>\$ 9,740,347</u>	<u>\$ 5,847,374</u>	<u>\$ 47,623,673</u>	<u>\$ 3,500</u>	<u>\$ 3,802,910</u>	<u>\$ 67,017,804</u>
Business-type activities:						
Juvenile Court Alternative School Services	<u>—</u>	<u>—</u>	<u>10,375</u>	<u>—</u>	<u>—</u>	<u>10,375</u>
Total - business-type activities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,375</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,375</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

NOTE 9—LONG-TERM LIABILITIES

Changes in long-term liabilities

The following is a summary of long-term debt and other long-term liabilities for the year ended December 31, 2002:

	Balance January 1, 2002	Additions	Reductions	Balance December 31, 2002	Due Within One Year
Governmental activities:					
General obligation notes	\$ 20,000,000	\$ —	\$ (10,000,000)	\$ 10,000,000	\$ 10,000,000
Capital leases	29,648,428	13,375,988	(3,199,801)	39,824,615	3,066,012
Claims and judgments	725,000	774,500	—	1,499,500	504,500
Compensated absences	5,921,718	6,347,066	(5,921,718)	6,347,066	46,758
Total - governmental activities	<u>\$ 56,295,146</u>	<u>\$ 20,497,554</u>	<u>\$ (19,121,519)</u>	<u>\$ 57,671,181</u>	<u>\$ 13,617,270</u>

The business-type activities had no long-term liabilities at December 31, 2002. The Internal Service Fund predominantly serves the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$109,745 of the Internal Service Fund's compensated absences are included in the above amounts as well as \$3,986,544 in capital leases. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund. Capital leases payments for governmental activities are paid out of the General Fund and the Internal Services Fund. See Note 11 for further discussion on capital leases.

General Obligation Notes

The County issued general obligation notes to provide funds for the welfare expenditures in 2001. The original amount of general obligation notes issued was \$20,000,000 with interest of 3.87% annually. During 2002, no new general obligation notes were issued.

Annual debt service requirements to maturity for general obligation notes are as follows:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	<u>\$ 10,000,000</u>	<u>\$ 290,000</u>	<u>\$ 10,290,000</u>

The above notes are to be repaid from ad valorem taxes levied to the extent necessary against all taxable property within Marion County. The Welfare Judgment Fund (nonmajor governmental fund) is utilized to liquidate the above notes.

The County has a legal debt limit of \$188,761,463, which represents .67 percent of the net assessed value of Marion County property, as certified by the State of Indiana, Department of Local Government Finance.

NOTE 10—SHORT-TERM DEBT ANALYSIS

During 2002, the County issued tax anticipation notes in advance of property tax collections, depositing the proceeds in its General Fund and Family and Children Services Agency Fund. The City-County Council authorizes the temporary borrowing pending the receipt of taxes levied and repayment of loans on June 30 and December 31 of the year borrowed. These notes are necessary for operating purposes between the property tax distribution dates of June 30 and December 31 each year. Short-term debt activity for the year ended December 31, 2002 was as follows:

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

<u>Fund</u>	<u>Balance</u> <u>January 1, 2002</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u> <u>December 31,</u> <u>2002</u>
General Fund	\$ —	\$ 57,686,782	\$ (57,686,782)	\$ —
Family and Children Services	—	31,834,785	(31,834,785)	—
Total	\$ —	\$ 89,521,567	\$ (89,521,567)	\$ —

NOTE 11—LEASES

The County leases its office building and parking lot jointly with the City over a 50-year term expiring on December 2012. The County and City will jointly obtain title to the building and parking lot in the future. Accordingly, the County's portion of the lease is classified as a capital lease. As a result of the lessor's early retirement of bonds associated with the building, no additional lease payments on the building were required after the July 1988 semi-annual payment. The County and the City have continued the facilities management aspect of the lease agreement. In 2002, the County paid \$3,306,017 for its share of building and maintenance costs. At December 31, 2002, the capitalized cost of the office building and parking lot was \$19,034,240 (\$16,940,472 of accumulated depreciation).

The County leased a jail addition over a 27-year lease term, expiring on December 2012. The lease had required the County to make annual average payments of \$2,392,000 to December 31, 2001. The County continues to pay the building operation and maintenance costs (\$1,247,150 in 2002). The County will obtain title to the property in the future. Accordingly, the lease is classified as a capital lease. At December 31, 2002, the capitalized cost of the jail addition was \$20,900,000 (\$7,314,999 of accumulated depreciation).

The County leases Jail II over a 19-year lease term expiring in 2016. The lease requires the County to make annual average payments of \$1,050,579 (\$1,043,000 in 2002) and to pay the building operation and maintenance costs (\$43,495 in 2002). The County will obtain title to the property at the completion of the lease term. Accordingly, the lease is classified as a capital lease. At December 31, 2002, the capitalized cost of Jail II was \$13,109,830 (\$1,179,885 of accumulated depreciation).

During 2002, the County amended the Jail II lease in order to renovate part of the Jail II building to become a new arrestee-processing center. See Note 19 for further discussion on the leasing arrangements.

The County leases its juvenile detention center over a 25-year lease term expiring in June 2015. The lease requires the County to make semi-annual payments of \$794,000 and to pay its share of building and maintenance costs (\$685,400 in 2002). The County will obtain title to the property at the completion of the lease term. Accordingly, the lease is classified as a capital lease. At December 31, 2002, the capitalized cost of the juvenile detention center was \$20,340,685 (\$9,631,073 of accumulated depreciation).

The County also leases certain equipment under capital leases expiring in various years through 2010. At December 31, 2002, the capitalized cost of equipment was \$14,553,575 (\$8,145,210 of accumulated depreciation).

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The following is a schedule of future minimum lease payments and the net present value of these minimum lease payments for the governmental activities at December 31, 2002.

	Governmental Activities
2003	\$ 5,243,487
2004	5,281,337
2005	4,926,415
2006	4,616,764
2007	3,689,887
2008 - 2012	18,224,928
2013 - 2017	12,295,000
2018 - 2022	4,830,000
	<u>59,107,818</u>
Less amount representing interest	<u>(19,283,203)</u>
Present value of net minimum lease payments	<u>\$ 39,824,615</u>

The business-type activities had no capital leases outstanding.

The County leases equipment and properties under operating leases which expire in various years through 2015. Governmental activities operating lease expenditures totaled \$3,350,686 for 2002 which included \$405,598 of operating lease expense for the Internal Service Fund. The business-type activities had no lease activity during 2002.

The following is a schedule of future minimum lease payments for all significant noncancellable operating leases with initial or remaining terms of one year or more as of December 31, 2002:

	Governmental Activities
2003	\$ 3,296,315
2004	3,070,905
2005	2,840,110
2006	2,624,541
2007	2,557,148
2008 - 2012	11,965,967
2013 - 2017	434,539
Total future payments	<u>\$ 26,789,525</u>

NOTE 12—PENSION OBLIGATIONS

The County maintains two benefit plans for law enforcement personnel which are reported as pension trust funds. Additionally, the County contributes to the statewide Indiana Public Employees Retirement Fund (PERF).

(a) Plan Description

Marion County Law Enforcement Personnel Retirement Plan

The Marion County Law Enforcement Personnel Retirement Plan (Retirement Plan) is a single-employer contributory defined benefit retirement plan covering certain employees of the Marion County Sheriff's Department other than those deputies that are employed by the Civil Sheriff. The Retirement Plan is administered in accordance with State statutes which require the County to make minimum contributions necessary to keep the plan sound on an actuarial basis according to State

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law. The Retirement Plan provides that each employee contributes 4.25% of their earnings to the plan, which is maintained in a reserve for member contributions and accumulates at a rate of 3% compounded annually. Contributions required of the employee may cease, at the election of the employee, following the completion of 20 years or more of credited service and prior to termination of employment. In 2002, the Plan was amended to reduce the employee contribution from 5.25% of compensation to 4.25% of compensation effective January 1, 2002.

Retirement Plan benefits begin to vest after 10 years of service. As of December 31, 2002, there are 142 fully vested employees (over 20 years of service), 68 partially vested (between 10 and 20 years of services), and 196 nonvested employees. Law enforcement employees who retire at or after age 55 with 10 years of credited services are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of the highest monthly average of consecutive five year salary per year of service up to a maximum of 20 years; plus 2.0% of such salary per year of service in excess of 20 years, if any, up to an additional 12 years; plus \$1.00 for each year of service up to a maximum of \$20.00. Full benefits do not commence before attainment of age 50; however, employees with 20 years of service can elect earlier benefits at a reduced rate. As of December 31, 2002, there are 226 retirees and beneficiaries receiving benefits, 4 terminated members entitled to benefits but not yet receiving benefits and 406 current active members.

Although it has not expressed any intent to do so, the County has the right to discontinue its contributions to the Retirement Plan at any time. Doing so in three consecutive years terminates the plan. In the event of plan termination, participants are entitled to their amount of contributions and a proportionate amount of any excess after certain benefits and expenses.

The County does not issue separate stand-alone financial statements for this plan.

Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan

The Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan (Disability Plan) is a single-employer defined benefit plan covering all participants in the Retirement Plan. The Disability Plan provides benefits to the beneficiaries of disabled employees and payments of pensions to dependent parents, surviving spouses and dependent children under age eighteen for deceased employees. This plan is accounted for in a single fund in accordance with State statutes which require the County to make minimum contributions necessary to keep the Plan sound on an actuarial basis. Each employee shall be required to contribute an amount equal to 5% of base pay. Contributions required of the employee may cease, at the election of the employee, following the completion of 20 years or more of credited service and prior to termination of employment. At December 31, 2002, there are 61 benefit recipients and no vested employees.

During 1997, the County conducted a cost of living actuarial study. As a result of this study, the Council adopted general ordinance number 162-97, which amended the plan to include cost of living adjustments. Effective January 1, 1998, and each year thereafter, all participants in payment status (both current and future) will be eligible for a cost of living increase. Benefit increases will not be available to terminated vested participants or the beneficiaries of participants. Applicable increases, if any, may be payable on the July 1 following the later of retirement date or attained age 55. The amount of the annual increase, if any, will depend on the change in the Consumer Price Index and will never exceed two percent.

The County does not issue separate stand-alone financial statements for this plan.

PERF

PERF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for state employees and employees of participating political subdivisions of the State of Indiana, in accordance with Indiana Codes 5-10.2 and 5-10.3.

PERF provides a contributory defined benefit plan. Substantially all County employees are covered by the plan except those covered by the Retirement and Disability Plans. The County pays the employee contribution portion, 3% of annual salary, which is mandated by State statute, in addition to the employer contribution amount, which is actuarially determined and is currently 3.00% of annual covered payroll.

PERF retirement benefits vest after 10 years of service. Under the defined benefit component, County employees who retire at or after age 65 with 10 or more years of creditable service; age 60 with 15 or more years creditable service; or if the sum of age and creditable service is greater than or equal to 85 (but not earlier than age 55); are entitled to an annual retirement

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benefit, payable monthly for life with 60 months guaranteed. Employees who have reached fifty years of age and have fifteen years of credited service will qualify for early retirement with reduced benefits. PERF also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute and County ordinance.

PERF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing PERF, Harrison Building, Suite 800, 143 West Market Street, Indianapolis, Indiana 46204.

(b) Funding Policy

The County is obligated by state law to make all required contributions to the Retirement and Disability Plans based upon an annual actuarial valuation. The required contributions are actuarially determined. The costs of administering the plan are financed through plan assets. There are no long-term contracts for contributions to the plan. For PERF, the County pays the employee contribution portion, 3% of annual salary, which is mandated by State statute, in addition to the employer contribution amount, which is actuarially determined and is currently 3.0%.

(c) Concentration of Investments

No investments in any one organization (other than those issued by the U.S. government) represent five percent of plan net assets.

(d) Annual Pension Cost and Net Pension Asset

The significant actuarial assumptions used to determine the annual pension cost for each pension plan are summarized below:

	Retirement Plan	Disability Plan	County Employees
Valuation date	1/1/02	1/1/02	6/30/02
Actuarial cost method	Frozen initial liability	Aggregate	Entry age normal cost
Asset valuation method	75% of expected actuarial value plus 25% of market value	75% of expected actuarial value plus 25% of market value	75% of expected actuarial value plus 25% of market value
Investment return	7.5%	7.5%	7.25%
Projected salary increases	5.0%*	5.0%	5.0%
Post retirement increases	**	**	2% compounded annually after retirement
Amortization method	Level percentage of payroll	N/A****	Level percentage of payroll
Amortization period	Closed 40-year period	N/A****	Closed 40-year period***

* 4% increase due to inflation and 1% due to merit / seniority.

** The monthly benefit paid to retirees may increase each July 1 (on or after July 1, 1998) to reflect cost of living increases. The amount of annual increase, if any, will depend on the change in the Consumer Price Index and will never exceed 2%.

*** 30 year period is being phased in commencing July 1, 1998.

**** The aggregate actual cost method does not identify or separately amortize unfunded actuarial liabilities.

Marion County Law Enforcement Personnel Retirement Plan

For the plan year 2002, the County's annual pension cost of \$2,784,350 for the Retirement Plan was more than the required annual contribution of \$2,665,033, but less than the actual County contribution of \$2,853,196. The required contribution was determined as part of the January 1, 2002 valuation using frozen initial liability method. The calculation of the annual pension cost and the net pension asset (NPA) is as follows for the retirement plan:

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Annual Required Contribution (ARC)	\$ 2,665,033
Interest on Net Pension Asset	(104,648)
Adjustment to ARC	<u>223,965</u>
Annual Pension Cost	2,784,350
Actual Contribution Made	<u>(2,853,196)</u>
Increase in Net Pension Asset	68,846
Net Pension Asset at Beginning of Year	<u>1,395,304</u>
Net Pension Asset at End of Year	<u><u>\$ 1,464,150</u></u>

Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan

For the plan year 2002, the County's annual pension cost of \$951,641 for the Disability Plan was more than the required annual contribution and the actual County contribution of \$949,714. The required contribution was determined as part of the January 1, 2002 valuation using aggregate cost liability method. The calculation of the annual pension cost and the NPA is as follows for the retirement plan:

Annual Required Contribution (ARC)	\$ 949,714
Interest on Net Pension Asset	(1,691)
Adjustment to ARC	<u>3,618</u>
Annual Pension Cost	951,641
Actual Contribution Made	<u>(949,714)</u>
Decrease in Net Pension Asset	(1,927)
Net Pension Asset at Beginning of Year	<u>22,543</u>
Net Pension Asset at End of Year	<u><u>\$ 20,616</u></u>

PERF

For the plan year 2002, the County's annual pension cost of \$2,047,180 for PERF was more than the required annual contribution of \$2,028,297 but less than the actual County contribution of \$2,165,918. The required contribution was determined as part of the June 30, 2002 valuation using entry age normal cost liability method. The calculation of the annual pension cost and the NPA is as follows for the retirement plan:

Annual Required Contribution (ARC)	\$ 2,028,297
Interest on Net Pension Asset	(215,738)
Adjustment to ARC	<u>234,621</u>
Annual Pension Cost	2,047,180
Actual Contribution Made	<u>(2,165,918)</u>
Increase in Net Pension Asset	118,738
Net Pension Asset at Beginning of Year	<u>2,975,698</u>
Net Pension Asset at End of Year	<u><u>\$ 3,094,436</u></u>

The total net pension asset of \$4,579,202, as of December 31, 2002, is reflected as a net pension asset within the governmental activities in the government-wide financial statements.

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(e) Trend Information

Selected trend information for the years ended December 31, 2002, 2001 and 2000 is as follows:

<u>Valuation Date</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Asset</u>
Marion County Law Enforcement Personnel:			
Retirement Plan			
1/1/00	\$ 1,696,533	103.8%	\$ 1,360,416
1/1/01	2,320,015	101.5	1,395,304
1/1/02	2,784,350	102.5	1,464,150
Disability Plan			
1/1/00	\$ 1,154,329	99.9%	\$ 24,174
1/1/01	929,037	99.8	22,543
1/1/02	951,641	99.8	20,616
County Employees			
6/30/00	\$ 1,383,904	161.8%	\$ 2,672,373
6/30/01	1,681,927	118	2,975,698
6/30/02	2,047,180	106	3,094,436

NOTE 13—RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The County is self insured for vehicle and general liability. In addition, the County participates in a public risk pool called Indiana Public Employers Plan, Inc. (IPEP) with relation to worker's compensation coverage, and purchases commercial insurance for claims for all other risks of loss. Settled claims have not exceeded the insurance coverage in any of the past three years.

Uninsured claims for vehicle and general liability are recorded when a determinable loss has been incurred. Incurred but not reported claims, in the aggregate, do not represent a material amount and therefore have not been accrued. The change in claims for 2001 and 2002 is as follows:

Unpaid claims, December 31, 2000	\$ —
Incurred claims and changes in estimates	200,825
Claims paid	<u>(200,825)</u>
Unpaid claims, December 31, 2001	—
Incurred claims and changes in estimates	200,825
Claims paid	<u>(200,825)</u>
Unpaid claims, December 31, 2002	<u><u>\$ —</u></u>

Prior to July 1, 1994, the County was self insured for workers' compensation claims. Beginning July 1, 1994, the County joined the Indiana Public Employers Plan, Inc. (IPEP), an Indiana not-for-profit corporation. IPEP is a group self-funded worker's compensation program for local governmental units. IPEP is not intended to function as an insurance company; rather it is a means of combining the administration of claims, of obtaining lower insurance rates and of sharing risks. IPEP is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$400,000. Although premiums billed are determined on an actuarial basis, fund members are subject to a supplemental

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

assessment in the event of deficiencies and refunds in the event of excess. During 2002, the County paid an annual premium of \$582,291. Additional assessments related to the year ended December 31, 2002 are not considered likely and therefore, no liability has been provided. The change in claims for 2001 and 2002 is as follows:

Unpaid claims, December 31, 2000	\$ —
Incurred claims and changes in estimates	513,751
Claims paid	<u>(513,751)</u>
Unpaid claims, December 31, 2001	—
Incurred claims and changes in estimates	582,291
Claims paid	<u>(582,291)</u>
Unpaid claims, December 31, 2002	<u><u>\$ —</u></u>

NOTE 14—DEFERRED COMPENSATION PLAN

Employees of Marion County are eligible to participate in a deferred compensation plan (the Plan) adopted under the provisions of Internal Revenue Code (IRC) Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the County. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. During 1997, the plan was amended to comply with the amendments to Section 457 of the Internal Revenue Code. Plan provisions were amended so that plan assets are held in trust by an independent trustee for the exclusive benefit of participants and their beneficiaries.

NOTE 15—JOINT VENTURE

The Indianapolis-Marion County Building Authority (Building Authority) is a joint venture of the County and the Consolidated City of Indianapolis (City). The Building Authority finances, acquires, constructs, improves, renovates, equips, operates, maintains and manages lands, governmental buildings and communication systems for governmental entities in Marion County. The Building Authority has no stockholders nor equity holders, and all bond and note loan proceeds, rentals and other revenues must be disbursed for specific purposes in accordance with provisions of Indiana Code 36-9-13 et. seq. and several trust indentures and loan agreements executed for the security of the holders of the bonds and notes.

The buildings are financed through the Building Authority's general obligation debt, which is repaid from rent received under long-term lease agreements with the County and City. See Note 11 for capital leases. All of the leases contain lease renewals and purchase options. If these options are not exercised, the leases provide for transfer, upon expiration of the lease, of ownership of the properties to the lessees free and clear of all obligations of the lease. The governing Indiana statute with respect to each of the Building Authority's leases provides that the government lessee(s) shall be obligated to levy annually a tax sufficient to produce each year the necessary funds to pay the lease rentals to the Building Authority. These leases provide for sufficient rent to service the debt and provide for operating costs.

The County's share of the joint venture consists primarily of 58% of the City-County Building and nearby parking lot determined by floor space, 100% of the Marion County Jail and Jail II, the Marion County Juvenile Detention Center, and the Marion County Sheriff's Roll Call Site. The City-County Building is an office building which houses the majority of the operations of the County and City. The City's share of the joint venture consists primarily of 42% of the City-County Building and parking lot, 100% of the Municipal Garage, Belmont Garage, and the Public Safety Training Academy and Public Safety Properties. The Environment Control Services Building is leased to other units of government and private parties. Public Safety Communications System operating costs are paid by the County agency Metropolitan Emergency Communication Agency.

The Building Authority has five members on the Board of Trustees, two of whom are appointed by the City-County Council of the Consolidated City of Indianapolis-Marion County, one by the Mayor of the City of Indianapolis in his capacity as the municipal executive of Indianapolis, one by the Mayor of the City of Indianapolis in his capacity as the county executive of Marion County, and one by the Marion County Board of Commissioners. The Trustees appoint the five members of the

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Board of Directors, which is the governing body of the Building Authority. The Building Authority is subject to the budgetary authority of the City-County Council, which equally represents the County and the City.

The Building Authority has various long-term debt obligations which are secured by the rent payments received from the County and City. During 2002, the County paid \$5,194,478 and \$5,337,662 in rent and maintenance, respectively. The amount of the Building Authority's principal current portion and long-term portion at June 30, 2002 was \$3,915,000 and \$35,820,000, respectively. The amount of accumulated net revenues retained in operating accounts at June 30, 2002 was \$62,265,882 and the amount of accumulated net revenues retained and used for building, site and project costs and related debt service was \$30,693,899 at June 30, 2002.

On October 16, 2002 the Building Authority issued \$12,000,000 of bond anticipation notes which beared interest at the LIBOR Rate 50 basis points, as adjusted from time to time and not to exceed 8%. These notes were issued in connection with the County's new Jail Arrestee Center. In connection with the issuance of these notes, the County approved and signed amendment number 1 to the Jail II lease to account for this transaction. See Note 19 for further discussion on final debt issuance on the Jail Arrestee Center.

A copy of the separately issued financial statements of the Indianapolis-Marion County Building Authority, which is prepared on a basis other than accounting principles generally accepted in the United States, is available upon request.

NOTE 16—RELATED PARTY TRANSACTIONS

The legislative body of the County is the same in several respects as that of the City, and the position of County Executive is held by the Mayor of the City. The County provides certain information technology and telephone services to the City. Revenues from these services were approximately \$15,000,000 in 2002, and the amount owed by the City to the County for these services was \$1,512,474 at December 31, 2002. In addition, the City owed the County \$602,755 for traffic tickets, \$986,137 for 911 dispatch services, \$15,123 for Gun Permit and Accident Report Fees, \$602,772 in IMAGUS receipts, and \$3,732,726 for other charges and services. In 2002, the County received \$3,944,547 of 911 dispatch fees from the City. At December 31, 2002, the County owed the City \$658,853 in deferral fees, \$146,302 in diversion fees, \$806,133 for fuel related to the Sheriff's fleet vehicles and \$255,367 for court costs to municipalities.

The City and County purchase certain insurance policies which cover risks of both entities. The City and County pay premiums associated with their own respective portions of the coverage. The City provides certain administrative services to the County, including purchasing, legal and other general administration. The City funds such services through a county-wide tax levy. The County does not compensate the City for these services. Conversely, the County provides, at no compensation, criminal, civil, juvenile, and probate court services to all municipalities and unincorporated areas in Marion County, administers the property tax administration and collection system for the same jurisdictions and the County jail and lockup. During 2002, the City agreed to pay to the County \$38.55 per prisoner day up to 98 beds to assist the County in meeting the increasing costs of operating the jail. The County received \$351,114 of such revenues in 2002 with an additional \$117,115 due from the City at December 31, 2002.

The County acts as either a subrecipient or a pass through agent for various state and federal grant programs with the City of Indianapolis during 2002.

NOTE 17—DEFICIT FUND BALANCES

At December 31, 2002, the following funds had deficit fund balances:

General Fund	\$ 24,545,414
Public Safety Capital Projects (Capital Projects Fund)	12,244
Sheriff's Continuing Education (Special Revenue Fund)	2,819

The County intends to request use of deferral program fees in future periods to eliminate the deficits in Public Safety Capital Projects and Sheriff's Continuing Education. The County intends to reduce the deficit in the General Fund via property taxes and controlling spending.

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

NOTE 18—COMMITMENTS AND CONTINGENCIES

The County has established a reserve for pending lawsuits which involve the County in the government-wide statements. The County has provided for probable aggregate liability resulting from such claims where the potential claims are not covered by insurance. Indiana law limits the liability of municipalities to \$300,000 per person and \$5,000,000 per occurrence. In the opinion of legal counsel, potential claims against the County not covered by claims and judgment liability provided in the financial statements would not materially affect the financial statements of the County. The County is vigorously defending its interest in all of the foregoing litigations.

The County participates in a number of federal and state financial assistance programs. Although the County federal grant programs have been audited in accordance with provisions of the Single Audit Act of 1996 through December 31, 2002, these programs are subject to financial and compliance audits by federal agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although, the County expects such amounts, if any, to be immaterial.

NOTE 19—SUBSEQUENT EVENTS

In the prior year, the Indiana Supreme Court ruled that Indiana's current system for valuing property for assessment violated the Indiana Constitution and ordered that all future assessments be based on a fair market value system. Further, the next assessment was delayed until 2002 and payable 2003. Therefore, there is no effect on the 2002 financial statements. The County did finalize the reassessed property values and received certification of the levy amounts from the State of Indiana's Department of Local Government Finance in the spring of 2003. The tax bills were mailed to Marion County residents in June 2003 with first payment due date back to the County in September 2003.

In October 2002, the County entered into a lease amendment with the Building Authority on the Jail II existing lease. This amendment was for the Building Authority to renovate, construct, and equip the new arrestee processing center. On May 29, 2003, the County and the Building Authority entered into an addendum to the first amendment. This addendum finalized the fixed rental payments schedule over the life of the lease. The County will make semi-annual rental payments of \$483,000 beginning December 31, 2003 with the last payment to be made on December 31, 2022.

In March 2003, the County entered into an agreement with the Indianapolis Local Public Improvement Bond Bank to issue \$11,100,000 in notes. The proceeds of these notes are to be utilized to purchase new voting machines for all of Marion County. The notes carry a 1.6% annual interest rate and are to be repaid March 4, 2004. The County is currently working with the State of Indiana to obtain federal grant monies to assist the County in paying off the voting machine debt service costs.



**REQUIRED PENSION SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)**

MARION COUNTY, INDIANA
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SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

		Budgeted Amounts		Actual	Variance with
		Original	Final	Amounts	Final Budget—
					Positive
					(Negative)
Revenues					
Taxes	\$	134,892,027	\$ 134,892,027	\$ 131,651,324	\$ (3,240,703)
Intergovernmental		11,941,094	11,941,094	11,325,143	(615,951)
Charges for services		8,289,350	8,289,350	10,409,915	2,120,565
Investment earnings		9,650,000	9,650,000	5,573,995	(4,076,005)
Miscellaneous		3,904,225	3,904,225	3,960,484	56,259
Total revenues		<u>168,676,696</u>	<u>168,676,696</u>	<u>162,920,861</u>	<u>(5,755,835)</u>
Expenditures					
Current:					
General government		102,451,916	102,628,915	101,936,643	692,272
Public safety		77,383,918	82,127,656	80,486,225	1,641,431
Welfare		<u>1,792,591</u>	<u>1,792,591</u>	<u>1,784,564</u>	<u>8,027</u>
Total expenditures		<u>181,628,425</u>	<u>186,549,162</u>	<u>184,207,432</u>	<u>2,341,730</u>
Deficiency of revenues over expenditures	\$	<u>(12,951,729)</u>	<u>(17,872,466)</u>	<u>(21,286,571)</u>	<u>\$ (3,414,105)</u>

See accompanying notes to the required supplementary information.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
STATE AND FEDERAL GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2002

		Budgeted Amounts		Actual Amounts	Variance with Final Budget— Positive (Negative)
		Original	Final		
Revenues					
Intergovernmental		\$ 9,988,958	\$ 9,988,958	\$ 9,213,951	\$ (775,007)
Total revenues		9,988,958	9,988,958	9,213,951	(775,007)
Expenditures					
Current:					
General government:		2,191,244	2,191,244	1,000,620	1,190,624
Public safety		14,549,700	14,549,700	8,609,321	5,940,379
Total expenditures		16,740,944	16,740,944	9,609,941	7,131,003
Deficiency of revenues over expenditures		\$ (6,751,986)	\$ (6,751,986)	\$ (395,990)	\$ 6,355,996

See accompanying notes to the required supplementary information.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
PROPERTY REASSESSMENT
FOR THE YEAR ENDED DECEMBER 31, 2002

		Budgeted Amounts			Variance with Final Budget— Positive (Negative)
		Original	Final	Actual Amounts	
Revenues					
Taxes	\$	1,863,489	\$ 1,863,489	\$ 1,838,394	\$ (25,095)
Interest		200,000	200,000	73,196	(126,804)
Miscellaneous		2,250	2,250	1,690	(560)
Total revenues		2,065,739	2,065,739	1,913,280	(152,459)
Expenditures					
Current:					
General government:		4,430,377	4,430,377	2,383,183	2,047,194
Total expenditures		4,430,377	4,430,377	2,383,183	2,047,194
Deficiency of revenues over expenditures	\$	(2,364,638)	\$ (2,364,638)	\$ (469,903)	\$ 1,894,735

See accompanying notes to the required supplementary information.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
REQUIRED PENSION SUPPLEMENTARY INFORMATION - UNAUDITED

Schedules of Funding Progress

Valuation Date	(1) Net Assets Available for Benefits	(2) Actuarial Accrued Liability	(3) Assets in Excess of Actuarial Accrued Liability (AEAAL) (1)-(2)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	AEAAL as a Percentage of Covered Payroll (3)/(5)
Marion County Law Enforcement Personnel: Retirement Plan						
1/1/97	\$ 94,718,615	\$ 94,718,615	—	100.0%	\$16,133,000	0.0%
1/1/98	101,799,534	101,799,534	—	100.0	16,598,000	0.0
1/1/99	108,380,468	108,380,468	—	100.0	16,997,366	0.0
1/1/00	113,673,635	113,673,635	—	100.0	17,585,164	0.0
1/1/01	119,024,251	119,024,251	—	100.0	18,451,953	0.0
1/1/02	124,447,738	124,447,738	—	100.0	18,605,324	0.0
Disability Plan						
1/1/97	\$ 6,169,921	\$ 6,169,921	—	100.0%	\$ 16,133,000	0.0%
1/1/98	6,809,503	6,809,503	—	100.0	16,598,000	0.0
1/1/99	7,697,564	7,697,564	—	100.0	16,997,366	0.0
1/1/00	8,546,892	8,546,892	—	100.0	17,585,164	0.0
1/1/01	9,543,676	9,543,676	—	100.0	18,451,953	0.0
1/1/02	10,369,259	10,369,259	—	100.0	18,605,324	0.0

Analysis of the dollar amounts of net assets available for benefits, actuarial accrued liability, and excess of actuarial accrued liability (assets in excess of actuarial accrued liability) in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the actuarial accrued liability provides one indication of the County's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in funding status and annual covered payroll are both affected by inflation. Expressing the funding status as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the County's progress made in accumulating sufficient assets to pay benefits when due. Generally, the higher this percentage, the stronger the plan.

In accordance with GASB No. 25, a schedule of funding progress is not required to be disclosed for the disability plan as supplementary information since the aggregate actuarial cost method used by the disability plan does not identify or separately amortize unfunded actuarial liabilities. Under this method, the excess of the Actuarial Present Value of Projected Benefits of the group over Actuarial Value of Assets is allocated on a level basis over the earnings of the group.

See accompanying notes to the required supplementary information.

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
REQUIRED PENSION SUPPLEMENTARY INFORMATION – UNAUDITED (CONTINUED)

Valuation Date	Schedules of Employer Contributions	
	Annual Required Contributions	Percentage Contributed
Marion County Law Enforcement Personnel: Retirement Plan		
1/1/97	\$ 847,000	242.0%
1/1/98	1,501,726	109.1
1/1/99	1,346,025	110.6
1/1/00	1,609,078	109.4
1/1/01	2,228,225	105.7
1/1/02	2,665,033	107.1
Disability Plan		
1/1/97	\$ 585,000	105.2%
1/1/98	905,280	100.0
1/1/99	1,022,529	100.0
1/1/00	1,152,580	100.0
1/1/01	927,406	100.0
1/1/02	949,714	100.0

See accompanying notes to the required supplementary information.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1—BUDGETS AND BUDGETARY ACCOUNTING

Budgets:

Budgets, detailed to the agency (i.e. department) and character level, are adopted for all governmental funds except the Prosecutor's Law Enforcement Equitable Share (Special Revenue Fund), County Construction (Capital Projects Fund) and Public Safety Interest Escrow (Capital Projects Fund) which are not legally required to do so. The Auditor's Endorsement Fee (Special Revenue Fund), County Sales Disclosure (Special Revenue), Clerk's Record Perpetuation (Special Revenue Fund-Other), Campaign Finance (Special Revenue Fund-Other), Drug Treatment Diversion (Special Revenue Fund-Other), County Sinking (Debt Service Fund) and Public Safety Capital Projects (Capital Projects Fund) were not budgeted during 2002 due to no expenditure activity.

A separate budgetary report has been prepared which is detailed to the agency and character level and is available upon request. The budgetary basis of accounting is essentially the cash basis with the exception that encumbrances and certain accounts payable are treated as expenditures.

The timetable for the budgetary process is as follows:

June 1	Auditor provides guidelines to County agencies
July 1	County Officials submit budgets
August	Auditor recommends budget to City-County Council
August	Council committees review/amend budgets based on public testimony
September	Council approves budget by last meeting of September
December	State of Indiana, Department of Local Government Finance reviews/adjusts and gives final approval to budget
January 1	Budget becomes effective

Revisions to transfer appropriations between agencies or character of expenditure require approval of the City-County Council. Revisions to increase the appropriations require approval of the City-County Council and the State of Indiana Department of Local Government Finance.

During the year, the following supplementary appropriations were properly approved for the General Fund, State and Federal Grants and Property Reassessments Funds:

	<u>General Fund</u>	<u>State and Federal Grants</u>	<u>Property Reassessment</u>
Original Appropriation	\$ 181,628,425	\$ 16,740,944	\$ 4,430,377
Reversions	4,920,737	—	—
Reversed appropriations	<u>\$ 186,549,162</u>	<u>\$ 16,740,944</u>	<u>\$ 4,430,377</u>

Unencumbered appropriations lapse at year-end and represent fund balances available for future commitment except for capital project funds which are budgeted on a project basis.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

NOTE 2—BUDGET / GAAP REPORTING DIFFERENCES

Adjustments required to convert the results of 2002 operations from a budgetary basis to a GAAP basis are as follows:

	<u>General Fund</u>	<u>State and Federal Grants</u>	<u>Property Reassessment</u>
Revenues and other financing:			
Changes in Fund Balance (GAAP basis)	\$ (31,172,638)	\$ 337,423	\$ (510,845)
Add (deduct):			
(Increase) decrease in receivables	(2,226,999)	(1,152,819)	1,600
Increase (decrease) in certain payables and prepaids	19,988,452	154,657	(100,545)
Increase (decrease) in current year encumbrances	(10,435,250)	22,111	139,492
Activities not budgeted	<u>2,559,864</u>	<u>242,638</u>	<u>395</u>
Revenues and other financing sources over (under) expenditures and other uses (budgetary basis)	<u><u>\$ (21,286,571)</u></u>	<u><u>\$ (395,990)</u></u>	<u><u>\$ (469,903)</u></u>



**COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES—
OTHER SUPPLEMENTARY INFORMATION**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for operating revenues which are restricted for particular purposes by State or Federal statute or which are designated by authority of the City-County Council to be maintained in separate funds.

ADULT PROBATION—Established to account for receipt of adult probation fees to be appropriated by the City-County Council for the courts' use in providing probation services to adults.

JUVENILE PROBATION—Established to account for receipt of juvenile probation fees to be appropriated by the City-County Council for the courts' use in providing probation services to juveniles.

SURVEYOR'S CORNER PERPETUATION—Established to account for receipt of fees collected by the County Recorder to be appropriated by the City-County Council for establishing or relocating corners and the keeping of the corner record book.

PROSECUTOR'S DIVERSION—Established to account for collection of user fees related to the operation of pre-trial diversion programs. All monies collected in this fund must be appropriated by the City-County Council and can be used only as the Prosecuting Attorney directs for pre-trial diversion programs.

PROSECUTOR'S LAW ENFORCEMENT—Established to account for the payment of restitution by certain offenders.

SHERIFF'S CONTINUING EDUCATION—Established to account for the continuing education fee for the County law enforcement agencies.

COUNTY EXTRADITION—Established to account for the collection of certain court fees to be appropriated by the City-County Council to offset extradition expense.

COUNTY MISDEMEANANT—Established by the State of Indiana to provide incentive to counties to locally house misdemeanants. This fund may be used only for funding the operation of a county jail, jail programs or other local correctional facilities.

ALCOHOL AND DRUG SERVICES—Established to account for the collection of court fees to be appropriated by the City-County Council for the operation of an alcohol and drug services program.

COUNTY RECORDS PERPETUATION—Established to account for certain fees which are collected by the County Recorder for the preservation of records and the improvement of recording systems and equipment.

COMMUNITY CORRECTIONS HOME DETENTION—Established to collect user fees related to the supervision of home detention.

SUPPLEMENTAL PUBLIC DEFENDER FEE—Established to account for the collection of fees assessed, at the discretion of the judge, on a defendant to cover costs incurred by the County as a result of court appointed legal services rendered to the defendant.

DEFERRAL PROGRAM FEES—Established to account for the collection of traffic violation process fees for people who are released on their own recognizance.

COUNTY DRUG FREE COMMUNITY—Established to promote comprehensive local alcohol and drug abuse prevention initiatives by supplementing local funding for treatment, education and criminal justice efforts.

CONDITIONAL RELEASE—Established to account for the pre-trial diversion program fees collected by the Clerk.

ENHANCED ACCESS—Established for the replacement, improvement, and expansion of capital expenditures and the reimbursement of operating expenses incurred in providing enhanced access to public information.

PROSECUTOR'S LAW ENFORCEMENT EQUITABLE SHARE—Established in accordance with federal guidelines to track all funds received under the Equitable Sharing Program.

JURY PAY—Established to fund costs of juror fees.

LOCAL EMERGENCY PLANNING—Established to provide the County with funds to help implement Title III of the Superfund Amendments and Reauthorization Act of 1986.

AUDITOR'S ENDORSEMENT FEE—Established to account for the receipt of fees charged on documents for endorsing a document affecting an interest in real property. This fund is to be used for the improvement and maintenance of the real property records systems and equipment.

COUNTY SALES DISCLOSURE—Established to account for the receipt of fees charged on the filing of a sales disclosure form. This fund is to be used for the administration of the sales disclosure function, training of assessing officials or the purchasing of computer software or hardware for a property record system.

OTHER—Used to account for activities of six other less significant revenue sources and related expenditures.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources devoted to the payment of principal, interest, and related costs on long-term general obligation debt.

COUNTY SINKING—Established to account for the resources devoted to the payment of interest and principal on long-term general obligation debt issued by the County. This fund had no activity in 2002.

WELFARE JUDGMENT—Originally established to account for the resources devoted to the payment of interest and principal on the 1992 and 1993 Public Welfare General Obligation Bonds. In 2002, this fund was utilized to account for the resources devoted to the payment of interest and principal on the outstanding note payable.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for resources designated to construct or acquire major capital facilities.

PUBLIC SAFETY CAPITAL PROJECTS AND PUBLIC SAFETY INTEREST ESCROW—Established to account for the development of the County integrated justice system and the upgrade of equipment for the County Forensic Services lab and County Sheriff's Department.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2002

Special Revenue Funds										
	Adult Probation	Juvenile Probation	Surveyor's Corner Perpetu- ation	Prosecutor's Diversion	Prosecutor's Law Enforcement	Sheriff's Continuing Education	County Extradition	County Misdem- eanant	Alcohol and Drug Services	County Records Perpetuation
Assets										
Cash and investments	\$ 507,395	\$ 173,213	\$ 588,490	\$ 1,022,819	\$ 1,087,494	\$ 15,414	\$ 395,258	\$ 186,858	\$ 298,555	\$ 5,065,657
Receivables (net of allowance for uncollectibles):										
Accrued interest	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—	—
Other	135	—	35,950	7,552	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—	—	—
Total assets	<u>\$ 507,530</u>	<u>\$ 173,213</u>	<u>\$ 624,440</u>	<u>\$ 1,030,371</u>	<u>\$ 1,087,494</u>	<u>\$ 15,414</u>	<u>\$ 395,258</u>	<u>\$ 186,858</u>	<u>\$ 298,555</u>	<u>\$ 5,065,657</u>
Liabilities and Fund Balances (Deficit)										
Liabilities:										
Accounts payable	\$ 29,488	\$ 29,623	\$ —	\$ 16,699	\$ 37,523	\$ 1,318	\$ 8,563	\$ 29,542	\$ —	\$ 7,401
Accrued liabilities	—	—	—	105,021	4,100	—	1,561	3,713	—	—
Intergovernmental payables	—	—	—	146,302	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	16,915	—	—	—	—
Deferred revenue	—	—	—	—	—	—	—	—	—	—
Total liabilities	<u>29,488</u>	<u>29,623</u>	<u>—</u>	<u>268,022</u>	<u>41,623</u>	<u>18,233</u>	<u>10,124</u>	<u>33,255</u>	<u>—</u>	<u>7,401</u>
Fund Balances (Deficit):										
Reserved for encumbrances	30,472	—	2,101	—	—	—	—	30,855	588	—
Unreserved, undesignated	447,570	143,590	622,339	762,349	1,045,871	(2,819)	385,134	122,748	297,967	5,058,256
Total fund balances (deficit)	<u>478,042</u>	<u>143,590</u>	<u>624,440</u>	<u>762,349</u>	<u>1,045,871</u>	<u>(2,819)</u>	<u>385,134</u>	<u>153,603</u>	<u>298,555</u>	<u>5,058,256</u>
Total liabilities and fund balances	<u>\$ 507,530</u>	<u>\$ 173,213</u>	<u>\$ 624,440</u>	<u>\$ 1,030,371</u>	<u>\$ 1,087,494</u>	<u>\$ 15,414</u>	<u>\$ 395,258</u>	<u>\$ 186,858</u>	<u>\$ 298,555</u>	<u>\$ 5,065,657</u>

	Debt Service Funds			Capital Projects Funds			
	County Sinking	Welfare Judgment	Total Debt Service	Public Safety Capital Projects	Public Safety Interest Escrow	Total Capital Projects	Total Nonmajor Funds
Assets							
Cash and investments	\$ 10,780	\$ 632,561	\$ 643,341	\$ —	\$ 1,684	\$ 1,684	\$ 17,013,314
Receivables (net of allowance for uncollectibles):							
Accrued interest	—	—	—	—	—	—	85
Intergovernmental	—	—	—	—	—	—	84,146
Other	—	—	—	—	—	—	79,896
Due from other funds	—	377,313	377,313	—	—	—	377,313
Total assets	\$ 10,780	\$ 1,009,874	\$ 1,020,654	\$ —	\$ 1,684	\$ 1,684	\$ 17,554,754
Liabilities and Fund Balances (Deficit)							
Liabilities:							
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 556,181
Accrued liabilities	—	—	—	—	—	—	387,477
Intergovernmental payables	—	—	—	—	—	—	805,155
Due to other funds	—	—	—	12,244	—	12,244	59,132
Deferred revenue	—	505,387	505,387	—	—	—	538,929
Total liabilities	—	505,387	505,387	12,244	—	12,244	2,346,874
Fund Balances (Deficit):							
Reserved for encumbrances	—	—	—	—	—	—	122,377
Unreserved, undesignated	10,780	504,487	515,267	(12,244)	1,684	(10,560)	15,085,503
Total fund balances (deficit)	10,780	504,487	515,267	(12,244)	1,684	(10,560)	15,207,880
Total liabilities and fund balances	\$ 10,780	\$ 1,009,874	\$ 1,020,654	\$ —	\$ 1,684	\$ 1,684	\$ 17,554,754

See Independent Auditors' Report.

Special Revenue Funds													
Community Corrections Home Detention	Supplemental Public Defender Fee	Deferral Program Fees	County Drug Free Community	Conditional Release	Enhanced Access	Prosecutor's Law Enforcement		Local Emergency Planning	Auditor's Endorsement Fee	County Sales Disclosure	Other	Total Special Revenue	
						Equitable Share	Jury Pay						
\$ 571,734	\$ 22,374	\$ 3,356,232	\$ 563,505	\$ 580,875	\$ 263,508	\$ 522,109	\$ 311,334	\$ 133,154	\$ 258,606	\$ 101,692	\$ 342,013	\$ 16,368,289	
—	—	—	—	—	—	85	—	—	—	—	—	85	
—	—	—	—	—	—	—	—	—	—	—	84,146	84,146	
—	—	17,723	2,539	722	—	—	—	—	3,023	2,100	10,152	79,896	
—	—	—	—	—	—	—	—	—	—	—	—	—	
<u>\$ 571,734</u>	<u>\$ 22,374</u>	<u>\$ 3,373,955</u>	<u>\$ 566,044</u>	<u>\$ 581,597</u>	<u>\$ 263,508</u>	<u>\$ 522,194</u>	<u>\$ 311,334</u>	<u>\$ 133,154</u>	<u>\$ 261,629</u>	<u>\$ 103,792</u>	<u>\$ 436,311</u>	<u>\$ 16,532,416</u>	
\$ 50,036	\$ —	\$ 160,007	\$ 101,427	\$ 1,546	\$ —	\$ —	\$ —	\$ 1,415	\$ —	\$ —	\$ 81,593	\$ 556,181	
31,282	—	229,957	3,820	1,546	—	—	—	—	—	—	6,477	387,477	
—	—	658,853	—	—	—	—	—	—	—	—	—	805,155	
—	—	—	—	—	—	—	—	—	—	—	29,973	46,888	
—	—	16,726	—	—	—	—	—	—	—	—	16,816	33,542	
<u>81,318</u>	<u>—</u>	<u>1,065,543</u>	<u>105,247</u>	<u>3,092</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,415</u>	<u>—</u>	<u>—</u>	<u>134,859</u>	<u>1,829,243</u>	
—	—	9,475	45,607	3,279	—	—	—	—	—	—	—	122,377	
<u>490,416</u>	<u>22,374</u>	<u>2,298,937</u>	<u>415,190</u>	<u>575,226</u>	<u>263,508</u>	<u>522,194</u>	<u>311,334</u>	<u>131,739</u>	<u>261,629</u>	<u>103,792</u>	<u>301,452</u>	<u>14,580,796</u>	
<u>490,416</u>	<u>22,374</u>	<u>2,308,412</u>	<u>460,797</u>	<u>578,505</u>	<u>263,508</u>	<u>522,194</u>	<u>311,334</u>	<u>131,739</u>	<u>261,629</u>	<u>103,792</u>	<u>301,452</u>	<u>14,703,173</u>	
<u>\$ 571,734</u>	<u>\$ 22,374</u>	<u>\$ 3,373,955</u>	<u>\$ 566,044</u>	<u>\$ 581,597</u>	<u>\$ 263,508</u>	<u>\$ 522,194</u>	<u>\$ 311,334</u>	<u>\$ 133,154</u>	<u>\$ 261,629</u>	<u>\$ 103,792</u>	<u>\$ 436,311</u>	<u>\$ 16,532,416</u>	

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2002

	Special Revenue Funds									
	Adult Probation	Juvenile Probation	Surveyor's Corner Perpetuation	Prosecutor's Diversion	Prosecutor's Law Enforcement	Sheriff's Continuing Education	County Extradition	County Misdemeanant	Alcohol and Drug Services	County Records Perpetuation
Revenues:										
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	558,807	—	—	600,551	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Charges for services	1,491,669	129,694	228,185	714,413	—	41,474	43,650	—	1,078,035	1,706,974
Miscellaneous	540	—	20	—	120,890	—	—	—	—	—
Total revenues	<u>1,492,209</u>	<u>129,694</u>	<u>228,205</u>	<u>714,413</u>	<u>679,697</u>	<u>41,474</u>	<u>43,650</u>	<u>600,551</u>	<u>1,078,035</u>	<u>1,706,974</u>
Expenditures:										
Current:										
General government	1,142,848	105,292	55,224	—	—	—	133,337	15,238	1,070,594	305,014
Public safety	—	—	—	896,926	614,037	43,964	—	592,808	—	—
Debt service:										
Principal retirement	—	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	—	—
Total expenditures	<u>1,142,848</u>	<u>105,292</u>	<u>55,224</u>	<u>896,926</u>	<u>614,037</u>	<u>43,964</u>	<u>133,337</u>	<u>608,046</u>	<u>1,070,594</u>	<u>305,014</u>
Excess (deficiency) of revenues over expenditures	<u>349,361</u>	<u>24,402</u>	<u>172,981</u>	<u>(182,513)</u>	<u>65,660</u>	<u>(2,490)</u>	<u>(89,687)</u>	<u>(7,495)</u>	<u>7,441</u>	<u>1,401,960</u>
Other financing sources (uses):										
Transfers in	—	—	—	—	—	—	—	—	—	41,747
Transfers out	—	—	—	—	—	—	—	—	—	—
Net other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>41,747</u>
Net change in fund balance	349,361	24,402	172,981	(182,513)	65,660	(2,490)	(89,687)	(7,495)	7,441	1,443,707
Fund balance (deficit) - beginning of year	128,681	119,188	451,459	944,862	980,211	(329)	474,821	161,098	291,114	3,614,549
Fund balance (deficit) - end of year	<u>\$ 478,042</u>	<u>\$ 143,590</u>	<u>\$ 624,440</u>	<u>\$ 762,349</u>	<u>\$ 1,045,871</u>	<u>\$ (2,819)</u>	<u>\$ 385,134</u>	<u>\$ 153,603</u>	<u>\$ 298,555</u>	<u>\$ 5,058,256</u>

	Debt Service Funds			Capital Projects Funds			Total Nonmajor Funds
	County Sinking	Welfare Judgment	Total Debt Service	Public Safety Capital Projects	Public Safety Interest Escrow	Total Capital Project	
Revenues:							
Taxes	\$ —	\$ 10,874,564	\$ 10,874,564	\$ —	\$ —	\$ —	\$ 10,874,564
Intergovernmental	—	—	—	—	—	—	1,379,185
Interest	—	—	—	—	—	—	8,318
Charges for services	—	—	—	—	—	—	10,565,456
Miscellaneous	—	—	—	—	—	—	189,298
Total revenues	<u>—</u>	<u>10,874,564</u>	<u>10,874,564</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>23,016,821</u>
Expenditures:							
Current:							
General government	—	—	—	—	—	—	3,829,561
Public safety	—	—	—	—	—	—	8,027,677
Debt service:							
Principal retirement	—	10,000,000	10,000,000	—	—	—	10,000,000
Interest and fiscal charges	—	994,392	994,392	—	—	—	994,392
Total expenditures	<u>—</u>	<u>10,994,392</u>	<u>10,994,392</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>22,851,630</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>(119,828)</u>	<u>(119,828)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>165,191</u>
Other financing sources (uses):							
Transfers in	—	—	—	—	—	—	41,747
Transfers out	—	—	—	—	—	—	(532,440)
Net other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(490,693)</u>
Net change in fund balance	—	(119,828)	(119,828)	—	—	—	(325,502)
Fund balance (deficit) - beginning of year	10,780	624,315	635,095	(12,244)	1,684	(10,560)	15,533,382
Fund balance (deficit) - end of year	<u>\$ 10,780</u>	<u>\$ 504,487</u>	<u>\$ 515,267</u>	<u>\$ (12,244)</u>	<u>\$ 1,684</u>	<u>\$ (10,560)</u>	<u>\$ 15,207,880</u>

See Independent Auditor's Report.

Special Revenue Funds												
Community Corrections Home Detention	Supplemental Public Defender Fee	Deferral Program Fees	County Drug Free Community	Conditional Release	Enhanced Access	Prosecutor's Law Enforcement Equitable Share	Jury Pay	Local Emergency Planning	Auditor's Endorsement Fee	County Sales Disclosure	Other	Total Special Revenue
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	53,292	—	—	—	—	166,535	1,379,185
—	—	—	—	—	—	8,318	—	—	—	—	—	8,318
1,374,167	213,673	2,155,147	405,078	118,516	87,040	—	163,713	—	147,980	103,792	362,256	10,565,456
—	—	14,281	4,462	722	—	—	—	47,611	—	—	772	189,298
<u>1,374,167</u>	<u>213,673</u>	<u>2,169,428</u>	<u>409,540</u>	<u>119,238</u>	<u>87,040</u>	<u>61,610</u>	<u>163,713</u>	<u>47,611</u>	<u>147,980</u>	<u>103,792</u>	<u>529,563</u>	<u>12,142,257</u>
121,389	205,000	—	20,717	41,307	22,135	—	396,146	31,046	—	—	164,274	3,829,561
2,066,896	—	2,845,604	610,920	1,546	—	161,879	—	—	—	—	193,097	8,027,677
—	—	—	—	—	—	—	—	—	—	—	—	—
<u>2,188,285</u>	<u>205,000</u>	<u>2,845,604</u>	<u>631,637</u>	<u>42,853</u>	<u>22,135</u>	<u>161,879</u>	<u>396,146</u>	<u>31,046</u>	<u>—</u>	<u>—</u>	<u>357,371</u>	<u>11,857,238</u>
<u>(814,118)</u>	<u>8,673</u>	<u>(676,176)</u>	<u>(222,097)</u>	<u>76,385</u>	<u>64,905</u>	<u>(100,269)</u>	<u>(232,433)</u>	<u>16,565</u>	<u>147,980</u>	<u>103,792</u>	<u>172,192</u>	<u>285,019</u>
—	—	—	—	—	—	—	—	—	—	—	—	41,747
<u>—</u>	<u>—</u>	<u>(430,000)</u>	<u>—</u>	<u>—</u>	<u>(102,440)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(532,440)</u>
<u>—</u>	<u>—</u>	<u>(430,000)</u>	<u>—</u>	<u>—</u>	<u>(102,440)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(490,693)</u>
<u>(814,118)</u>	<u>8,673</u>	<u>(1,106,176)</u>	<u>(222,097)</u>	<u>76,385</u>	<u>(37,535)</u>	<u>(100,269)</u>	<u>(232,433)</u>	<u>16,565</u>	<u>147,980</u>	<u>103,792</u>	<u>172,192</u>	<u>(205,674)</u>
1,304,534	13,701	3,414,588	682,894	502,120	301,043	622,463	543,767	115,174	113,649	—	129,260	14,908,847
<u>\$ 490,416</u>	<u>\$ 22,374</u>	<u>\$ 2,308,412</u>	<u>\$ 460,797</u>	<u>\$ 578,505</u>	<u>\$ 263,508</u>	<u>\$ 522,194</u>	<u>\$ 311,334</u>	<u>\$ 131,739</u>	<u>\$ 261,629</u>	<u>\$ 103,792</u>	<u>\$ 301,452</u>	<u>\$ 14,703,173</u>

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NONMAJOR
UNAUDITED
YEAR ENDED DECEMBER 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
Adult Probation				
Revenues:				
Charges for services	\$ 1,500,000	\$ 1,500,000	\$ 1,478,901	\$ (21,099)
Expenditures:				
General government	1,542,077	1,542,077	1,193,302	348,775
Excess (deficiency) of revenues over expenditures	\$ (42,077)	\$ (42,077)	\$ 285,599	\$ 327,676
Juvenile Probation				
Revenues:				
Charges for services	\$ 50,000	\$ 50,000	127,214	77,214
Expenditures:				
General government	70,000	120,000	105,595	14,405
Excess (deficiency) of revenues over expenditures	\$ (20,000)	\$ (70,000)	\$ 21,619	\$ 91,619
Surveyor's Corner Perpetuation				
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	226,455	26,455
Expenditures:				
General government	129,338	129,338	55,429	73,909
Excess of revenues over expenditures	\$ 70,662	\$ 70,662	\$ 171,026	\$ 100,364
Prosecutor's Diversion				
Revenues:				
Charges for services	\$ 720,000	\$ 720,000	\$ 902,169	\$ 182,169
Expenditures:				
Public safety	864,077	864,077	696,767	167,310
Excess (deficiency) of revenues over expenditures	\$ (144,077)	\$ (144,077)	\$ 205,402	\$ 349,479
Prosecutor's Law Enforcement				
Revenues:				
Intergovernmental	\$ 624,000	\$ 624,000	\$ 609,909	\$ (14,091)
Expenditures:				
Public safety	1,060,118	1,119,914	809,412	310,502
Deficiency of revenues over expenditures	\$ (436,118)	\$ (495,914)	\$ (199,503)	\$ 296,411

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NONMAJOR
UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2002
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
Sheriff's Continuing Education				
Revenues:				
Charges for services	\$ 48,000	\$ 48,000	\$ 35,759	\$ (12,241)
Expenditures:				
Public safety	48,000	48,000	47,045	955
Deficiency of revenues over expenditures	\$ —	\$ —	\$ (11,286)	\$ (11,286)
County Extradition				
Revenues:				
Charges for services	\$ 150,000	\$ 150,000	\$ 43,600	\$ (106,400)
Expenditures:				
Public safety	139,558	139,558	129,402	10,156
Excess (deficiency) of revenues over expenditures	\$ 10,442	\$ 10,442	\$ (85,802)	\$ (96,244)
County Misdemeanant				
Revenues				
Intergovernment	\$ 600,551	\$ 600,551	\$ 600,665	\$ 114
Expenditures				
General government	15,238	15,238	15,238	—
Public Safety	613,377	613,377	611,404	1,973
Total expenditures	628,615	628,615	626,642	1,973
Deficiency of revenues over expenditures	\$ (28,064)	\$ (28,064)	\$ (25,977)	\$ 2,087
Alcohol and Drug Services				
Revenues				
Charges for services	\$ 1,100,000	\$ 1,100,000	\$ 1,015,633	\$ (84,367)
Expenditures				
General government	1,189,982	1,189,982	1,073,468	116,514
Deficiency of revenues over expenditures	\$ (89,982)	\$ (89,982)	\$ (57,835)	\$ 32,147
County Records Perpetuation				
Revenues:				
Charges for services	\$ 1,300,000	\$ 1,300,000	\$ 1,730,688	\$ 430,688
Expenditures				
General government	808,926	808,926	417,605	391,321
Excess of revenues over expenditures	\$ 491,074	\$ 491,074	\$ 1,313,083	\$ 822,009

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NONMAJOR
UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2002
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
Community Corrections Home Detention				
Revenues:				
Charges for services	\$ 80,000	\$ 80,000	\$ 1,374,791	\$ 1,294,791
Expenditures:				
General Government	\$ 7,659	\$ 271,988	\$ 121,389	\$ 150,599
Public Safety	149,803	2,575,289	2,048,529	526,760
Total expenditures	157,462	2,847,277	2,169,918	677,359
Deficiency of revenues over expenditures	\$ (77,462)	\$ (2,767,277)	\$ (795,127)	\$ 1,972,150
Supplemental Public Defender Fee				
Revenues:				
Charges for services	\$ 220,000	\$ 220,000	\$ 205,323	\$ (14,677)
Expenditures:				
General government	205,000	205,000	205,000	—
Excess of revenues over expenditures	\$ 15,000	\$ 15,000	\$ 323	\$ (14,677)
Deferral Program Fees				
Revenues:				
Charges for services	\$ 3,070,000	\$ 3,070,000	\$ 3,256,332	\$ 186,332
Expenditures:				
General government	403,687	403,687	319,152	84,535
Public safety	3,159,619	3,159,619	2,198,108	961,511
Total expenditures	3,563,306	3,563,306	2,517,260	1,046,046
Excess (deficiency) of revenues over expenditures	\$ (493,306)	\$ (493,306)	\$ 739,072	\$ 1,232,378
County Drug Free Community				
Revenues:				
Charges for services	\$ 450,000	\$ 450,000	\$ 408,297	\$ (41,703)
Expenditures:				
General government	—	23,000	20,717	2,283
Public safety	713,633	690,633	647,985	42,648
Total expenditures	713,633	713,633	668,702	44,931
Deficiency of revenues over expenditures	\$ (263,633)	\$ (263,633)	\$ (260,405)	\$ 3,228

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NONMAJOR
UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2002
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
Conditional Release				
Revenues:				
Charges for services	\$ 75,000	\$ 75,000	\$ 115,980	\$ 40,980
Expenditures:				
General government	87,600	112,600	39,761	72,839
Excess (deficiency) of revenues over expenditures	<u>\$ (12,600)</u>	<u>\$ (37,600)</u>	<u>\$ 76,219</u>	<u>\$ 113,819</u>
Enhanced Access				
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 87,551	\$ 77,551
Expenditures:				
General government	100,000	145,500	124,575	20,925
Deficiency of revenues over expenditures	<u>\$ (90,000)</u>	<u>\$ (135,500)</u>	<u>\$ (37,024)</u>	<u>\$ 98,476</u>
Jury Pay				
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ 225,996	\$ 25,996
Expenditures:				
General government	250,000	400,000	396,146	3,854
Deficiency of revenues over expenditures	<u>\$ (50,000)</u>	<u>\$ (200,000)</u>	<u>\$ (170,150)</u>	<u>\$ 29,850</u>
Local Emergency Planning				
Revenues:				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 47,611	\$ 17,611
Expenditures:				
General government	67,500	67,500	29,631	37,869
Excess (deficiency) of revenues over expenditures	<u>\$ (37,500)</u>	<u>\$ (37,500)</u>	<u>\$ 17,980</u>	<u>\$ 55,480</u>

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NONMAJOR
UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2002
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
Other - Guardian Ad Litem				
Revenues:				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 142,495	\$ 72,495
Expenditures:				
Public safety	65,918	135,918	135,782	136
Excess (deficiency) of revenues over expenditures	\$ 4,082	\$ (65,918)	\$ 6,713	\$ 72,631
Other - County Grants				
Revenues:				
Intergovernmental	\$ 156,978	\$ 156,978	\$ 276,300	\$ 119,322
Expenditures:				
General government	116,335	116,335	64,369	51,966
Public safety	112,883	112,883	68,106	44,777
Total expenditures	229,218	229,218	132,475	96,743
Excess (deficiency) of revenues over expenditures	\$ (72,240)	\$ (72,240)	\$ 143,825	\$ 216,065
Other - Child Advocacy				
Revenues:				
Charges for services	\$ —	\$ —	\$ 3,773	\$ 3,773
Expenditures:				
General government	—	2,983	2,983	—
Excess (deficiency) of revenues over expenditures	\$ —	\$ (2,983)	\$ 790	\$ 3,773

See Independent Auditors' Report.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
DEBT SERVICE FUND - WELFARE JUDGMENT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
UNAUDITED
YEAR ENDED DECEMBER 31, 2002

	Original and Revised Budget	Actual Amounts	Variance with Final Budget— Positive (Negative)
Revenues:			
Taxes	\$ 10,338,113	\$ 10,874,564	\$ 536,451
Expenditures:			
Debt service:			
Debt retirement	10,000,000	10,000,000	—
Interest and fiscal charges	900,000	836,906	63,094
Total expenditures	<u>10,900,000</u>	<u>10,836,906</u>	<u>63,094</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(561,887)</u>	\$ <u>37,658</u>	\$ <u>599,545</u>

See Independent Auditors' Report.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - CUMULATIVE CAPITAL DEVELOPMENT
UNAUDITED
YEAR ENDED DECEMBER 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Taxes	\$ 9,349,028	\$ 9,349,028	\$ 9,223,125	\$ (125,903)
Miscellaneous	<u>450,000</u>	<u>450,000</u>	<u>372,890</u>	<u>(77,110)</u>
Total revenues	<u>9,799,028</u>	<u>9,799,028</u>	<u>9,596,015</u>	<u>(203,013)</u>
Expenditures:				
Capital outlay	5,485,212	5,780,212	5,545,812	234,400
Distribution to City of Indianapolis	<u>4,221,091</u>	<u>4,221,091</u>	<u>4,150,407</u>	<u>70,684</u>
Total expenditures	<u>9,706,303</u>	<u>10,001,303</u>	<u>9,696,219</u>	<u>305,084</u>
Excess (deficiency) of revenues over expenditures	\$ <u>92,725</u>	\$ <u>(202,275)</u>	\$ <u>(100,204)</u>	\$ <u>102,071</u>

See Independent Auditors' Report.

FIDUCIARY FUND TYPES

PENSION TRUST FUNDS

Pension Trust Funds are those funds held in trust for disbursement to covered employees.

MARION COUNTY LAW ENFORCEMENT PERSONNEL RETIREMENT PLAN (RETIREMENT)—To account for assets held in the Marion County Law Enforcement Personnel Retirement Plan for eligible employees of the Marion County Sheriff's Department.

MARION COUNTY LAW ENFORCEMENT PERSONNEL DEPENDENTS AND DISABILITY BENEFITS PLAN (DISABILITY)—To account for assets held in the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan for eligible employees of the Marion County Sheriff's Department.

AGENCY FUNDS

Agency Funds are used to account for transactions related to assets of others held in their behalf by the County.

GROSS INCOME TAX—Established to account for gross income taxes collected by the County Treasurer to be remitted to the State of Indiana.

EXCISE TAX REFUNDS—Established to refund monies to taxpayers where an error or overpayment has occurred in the payment of excise tax.

PROPERTY TAX REFUNDS—Established to refund monies to taxpayers where an error has occurred in the payment assessment of property tax.

STATE TAXES—Established to account for inheritance taxes, forfeiture of bonds, and fines paid in all courts which are collected by the County and remitted to the State of Indiana.

TAX SALE REDEMPTION—Established as an escrow account for funds received from property sold in a tax sale.

TAX SALE SURPLUS—Established to account for funds received over and above delinquent taxes received from property sold in a tax sale.

STATE PUBLIC SAFETY FEES—Established to account for various fees collected by the Courts and then remitted to the State. These include domestic violence fees, judicial fees, infraction judgments, state prosecutor fees, state docket fees, judicial salary fees, and victims of violent crimes fees.

SALE OF COUNTY-OWNED PROPERTY—Established to record funds received from the sale of County properties which were claimed for delinquent taxes.

TREASURER'S SURPLUS—Established to account for overpayment of taxes or misapplication of tax payments received.

TRUST CLEARANCE—Established as an escrow fund for assets held for disadvantaged children under the care of the Division of Family and Children. Authorization for receipts and disbursements is made through the Division of Family and Children by order of the Circuit Court.

COURT COSTS TO MUNICIPALITIES—Established to account for the portion of court costs collected and subsequently disbursed to various municipalities within Marion County.

TREASURER'S TAX COLLECTION—Established to account for advancement and final distribution of taxes collected by the County Treasurer for all taxing units within the County.

WELFARE—Established to account for the processing of welfare program disbursements for the Division of Family and Children which is administered by the State of Indiana. The County closed this fund in 2002.

FAMILY AND CHILDREN SERVICES—Established to fund the Children in Need of Services program and for delinquent children.

LAW ENFORCEMENT CONTINUING EDUCATION—Established to account for fees collected by the County and subsequently disbursed to various law enforcement agencies for continuing education programs.

PAYROLL—Established to account for the receipt of the gross payroll transfers from all County funds having personal services expenditures and the subsequent disbursements of net payroll checks and withholdings.

JUVENILE COURT, PROBATION, CLERK OF CIRCUIT COURT, SHERIFF—Represent various custodial and fiduciary bank accounts maintained by the designated department in the course of normal operations.

OTHER—Represents eleven other less significant fiduciary funds that are maintained by Marion County on behalf of others.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS BY FUND TYPE
DECEMBER 31, 2002

	Pension Trust Funds	Agency Funds	Total
Assets			
Cash and investments	\$ 111,637,272	\$ 56,693,232	\$ 168,330,504
Receivables:			
Property taxes	—	73,246,606	73,246,606
Accrued interest	370,803	—	370,803
Due from other funds	4,043,009	2,118,085	6,161,094
Total assets	116,051,084	\$ 132,057,923	\$ 248,109,007
Liabilities			
Accrued liabilities	\$ 130,116	\$ —	\$ 130,116
Due to other funds	—	15,746,450	15,746,450
Pending purchase of investments	1,565,088	—	1,565,088
Amounts held in custody for others	—	116,311,473	116,311,473
Total liabilities	1,695,204	\$ 132,057,923	\$ 133,753,127
Net Assets			
Net assets for employees' pension benefits	\$ 114,355,880		

See Independent Auditors' Report.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - PENSION TRUST FUNDS
DECEMBER 31, 2002

	<u>Retirement</u>	<u>Disability</u>	<u>Total</u>
Assets			
Cash and investments	\$ 101,466,981	\$ 10,170,291	\$ 111,637,272
Receivables:			
Accrued interest	369,096	1,707	370,803
Due from other funds	3,093,295	949,714	4,043,009
Total assets	<u>104,929,372</u>	<u>11,121,712</u>	<u>116,051,084</u>
Liabilities			
Accrued liabilities	129,019	1,097	130,116
Pending purchase of investments	1,565,088	—	1,565,088
Total liabilities	<u>1,694,107</u>	<u>1,097</u>	<u>1,695,204</u>
Net Assets			
Net assets for employees' pension benefits	<u>\$ 103,235,265</u>	<u>\$ 11,120,615</u>	<u>\$ 114,355,880</u>

See Independent Auditors' Report.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS -
PENSION TRUST FUNDS
YEAR ENDED DECEMBER 31, 2002

	Retirement	Disability	Total
Additions			
Contributions:			
Employer	\$ 2,826,517	\$ 949,714	\$ 3,776,231
Employee	1,003,848	—	1,003,848
Total contributions	<u>3,830,365</u>	<u>949,714</u>	<u>4,780,079</u>
Investment income:			
Interest and dividends	2,838,251	201,193	3,039,444
Increase (decrease) in fair value of investments	(15,607,137)	652,600	(14,954,537)
Less investment expenses	<u>(421,614)</u>	<u>(4,220)</u>	<u>(425,834)</u>
Net investment income	<u>(13,190,500)</u>	<u>849,573</u>	<u>(12,340,927)</u>
Miscellaneous	69,850	—	69,850
Total additions	<u>(9,290,285)</u>	<u>1,799,287</u>	<u>(7,490,998)</u>
Deductions			
Retirement benefits	<u>4,966,829</u>	<u>704,246</u>	<u>5,671,075</u>
Total deductions	<u>4,966,829</u>	<u>704,246</u>	<u>5,671,075</u>
Change in plan net assets	(14,257,114)	1,095,041	(13,162,073)
Net assets - beginning of year	<u>117,492,379</u>	<u>10,025,574</u>	<u>127,517,953</u>
Net assets - end of year	<u><u>\$ 103,235,265</u></u>	<u><u>\$ 11,120,615</u></u>	<u><u>\$ 114,355,880</u></u>

See Independent Auditors' Report.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
DECEMBER 31, 2002

	<u>Gross Income Tax</u>	<u>Excise Tax Refunds</u>	<u>Property Tax Refunds</u>	<u>State Taxes</u>	<u>Tax Sale Redemption</u>	<u>Tax Sale Surplus</u>	<u>State Public Safety Fees</u>	<u>Sale of County- Owned Property</u>	<u>Treasurer's Surplus</u>	<u>Trust Clearance</u>	<u>Court Costs to Municipalities</u>	<u>Treasurer's Tax Collection</u>
Assets												
Cash and investments	\$ 230,298	\$ —	\$ —	\$ 8,523,929	\$ —	\$ 9,189,721	\$ 308,397	\$ 782,748	\$ 4,445,192	\$ 84,148	\$ 298,349	\$ 14,197,088
Property taxes receivable	—	—	—	—	—	—	—	—	—	—	—	73,246,606
Due from other funds	—	32,680	226,056	—	—	—	—	—	—	—	—	—
Total assets	<u>\$ 230,298</u>	<u>\$ 32,680</u>	<u>\$ 226,056</u>	<u>\$ 8,523,929</u>	<u>\$ —</u>	<u>\$ 9,189,721</u>	<u>\$ 308,397</u>	<u>\$ 782,748</u>	<u>\$ 4,445,192</u>	<u>\$ 84,148</u>	<u>\$ 298,349</u>	<u>\$ 87,443,694</u>
Liabilities												
Due to other funds	\$ —	\$ —	\$ —	\$ 3,223	\$ 35,013	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,468,115
Amounts held in custody for others	230,298	32,680	226,056	8,520,706	(35,013)	9,189,721	308,397	782,748	4,445,192	84,148	298,349	71,975,579
Total liabilities	<u>\$ 230,298</u>	<u>\$ 32,680</u>	<u>\$ 226,056</u>	<u>\$ 8,523,929</u>	<u>\$ —</u>	<u>\$ 9,189,721</u>	<u>\$ 308,397</u>	<u>\$ 782,748</u>	<u>\$ 4,445,192</u>	<u>\$ 84,148</u>	<u>\$ 298,349</u>	<u>\$ 87,443,694</u>

	<u>Family and Children Services</u>	<u>Law Enforcement Continuing Education</u>	<u>Payroll</u>	<u>Juvenile Court</u>	<u>Probation</u>	<u>Clerk of Circuit Court</u>	<u>Sheriff</u>	<u>Other</u>	<u>Total</u>
Assets									
Cash and investments	\$ 2,971,380	\$ 447,936	\$ 2,730,055	\$ 106,089	\$ 225,278	\$ 8,173,577	\$ 3,890,000	\$ 89,047	\$ 56,693,232
Property taxes receivable	—	—	—	—	—	—	—	—	73,246,606
Due from other funds	1,859,349	—	—	—	—	—	—	—	2,118,085
Total assets	<u>\$ 4,830,729</u>	<u>\$ 447,936</u>	<u>\$ 2,730,055</u>	<u>\$ 106,089</u>	<u>\$ 225,278</u>	<u>\$ 8,173,577</u>	<u>\$ 3,890,000</u>	<u>\$ 89,047</u>	<u>\$ 132,057,923</u>
Liabilities									
Due to other funds	\$ —	\$ —	\$ 240,099	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,746,450
Amounts held in custody for others	4,830,729	447,936	2,489,956	106,089	225,278	8,173,577	3,890,000	89,047	116,311,473
Total liabilities	<u>\$ 4,830,729</u>	<u>\$ 447,936</u>	<u>\$ 2,730,055</u>	<u>\$ 106,089</u>	<u>\$ 225,278</u>	<u>\$ 8,173,577</u>	<u>\$ 3,890,000</u>	<u>\$ 89,047</u>	<u>\$ 132,057,923</u>

See Independent Auditors' Report.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2002

	<u>Balance January 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2002</u>
Gross Income Tax				
Assets:				
Cash and investments	\$ <u>180,231</u>	\$ <u>786,465</u>	\$ <u>736,398</u>	\$ <u>230,298</u>
Liabilities:				
Amounts held in custody for others	\$ <u>180,231</u>	\$ <u>786,465</u>	\$ <u>736,398</u>	\$ <u>230,298</u>
Excise Tax Refunds				
Assets:				
Cash and investments	\$ —	\$ 786	\$ 786	\$ —
Due from other funds	<u>33,474</u>	<u>32,680</u>	<u>33,474</u>	<u>32,680</u>
	\$ <u>33,474</u>	\$ <u>33,466</u>	\$ <u>34,260</u>	\$ <u>32,680</u>
Liabilities:				
Amounts held in custody for others	\$ <u>33,474</u>	\$ <u>33,466</u>	\$ <u>34,260</u>	\$ <u>32,680</u>
Property Tax Refunds				
Assets:				
Cash and investments	\$ —	\$ 17,997,600	\$ 17,997,600	\$ —
Due from other funds	<u>859,362</u>	<u>226,056</u>	<u>859,362</u>	<u>226,056</u>
	\$ <u>859,362</u>	\$ <u>18,223,656</u>	\$ <u>18,856,962</u>	\$ <u>226,056</u>
Liabilities:				
Amounts held in custody for others	\$ <u>859,362</u>	\$ <u>18,223,656</u>	\$ <u>18,856,962</u>	\$ <u>226,056</u>
State Taxes				
Assets:				
Cash and investments	\$ <u>5,362,484</u>	\$ <u>40,305,492</u>	\$ <u>37,144,047</u>	\$ <u>8,523,929</u>
Liabilities:				
Due to other funds	\$ 3,729	\$ 3,223	\$ 3,729	\$ 3,223
Amounts held in custody for others	<u>5,358,755</u>	<u>40,302,269</u>	<u>37,140,318</u>	<u>8,520,706</u>
	\$ <u>5,362,484</u>	\$ <u>40,305,492</u>	\$ <u>37,144,047</u>	\$ <u>8,523,929</u>
Tax Sale Redemption				
Assets:				
Cash and investments	\$ <u>27,367</u>	\$ <u>3,749,056</u>	\$ <u>3,776,423</u>	\$ —
Liabilities:				
Due to other funds	\$ —	\$ 35,013	\$ —	\$ 35,013
Amounts held in custody for others	<u>27,367</u>	<u>3,714,043</u>	<u>3,776,423</u>	<u>(35,013)</u>
	\$ <u>27,367</u>	\$ <u>3,749,056</u>	\$ <u>3,776,423</u>	\$ —
Tax Sale Surplus				
Assets:				
Cash and investments	\$ <u>6,983,912</u>	\$ <u>10,852,301</u>	\$ <u>8,646,492</u>	\$ <u>9,189,721</u>
Liabilities:				
Amounts held in custody for others	\$ <u>6,983,912</u>	\$ <u>10,852,301</u>	\$ <u>8,646,492</u>	\$ <u>9,189,721</u>

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2002
(CONTINUED)

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
State Public Safety Fees				
Assets:				
Cash and investments	\$ 156,796	\$ 2,801,848	\$ 2,650,247	\$ 308,397
Due from other funds	870,580	—	870,580	—
	<u>\$ 1,027,376</u>	<u>\$ 2,801,848</u>	<u>\$ 3,520,827</u>	<u>\$ 308,397</u>
Liabilities:				
Amounts held in custody for others	<u>\$ 1,027,376</u>	<u>\$ 2,801,848</u>	<u>\$ 3,520,827</u>	<u>\$ 308,397</u>
Sale of County-Owned Property				
Assets:				
Cash and investments	<u>\$ 784,635</u>	<u>\$ 454,931</u>	<u>\$ 456,818</u>	<u>\$ 782,748</u>
Liabilities:				
Amounts held in custody for others	<u>\$ 784,635</u>	<u>\$ 454,931</u>	<u>\$ 456,818</u>	<u>\$ 782,748</u>
Treasurer's Surplus				
Assets:				
Cash and investments	<u>\$ 3,866,735</u>	<u>\$ 3,224,290</u>	<u>\$ 2,645,833</u>	<u>\$ 4,445,192</u>
Liabilities:				
Amounts held in custody for others	<u>\$ 3,866,735</u>	<u>\$ 3,224,290</u>	<u>\$ 2,645,833</u>	<u>\$ 4,445,192</u>
Trust Clearance				
Assets:				
Cash and investments	<u>\$ 76,423</u>	<u>\$ 515,818</u>	<u>\$ 508,093</u>	<u>\$ 84,148</u>
Liabilities:				
Amounts held in custody for others	<u>\$ 76,423</u>	<u>\$ 515,818</u>	<u>\$ 508,093</u>	<u>\$ 84,148</u>
Court Costs to Municipalities				
Assets:				
Cash and investments	\$ 497,983	\$ 298,349	\$ 497,983	\$ 298,349
Due from other funds	64,326	—	64,326	—
	<u>\$ 562,309</u>	<u>\$ 298,349</u>	<u>\$ 562,309</u>	<u>\$ 298,349</u>
Liabilities:				
Amounts held in custody for others	<u>\$ 562,309</u>	<u>\$ 298,349</u>	<u>\$ 562,309</u>	<u>\$ 298,349</u>
Treasurer's Tax Collection				
Assets:				
Cash and investments	\$ 18,752,025	\$ 1,340,904,468	\$ 1,345,459,405	\$ 14,197,088
Property taxes receivable	73,591,953	73,246,606	73,591,953	73,246,606
	<u>\$ 92,343,978</u>	<u>\$ 1,414,151,074</u>	<u>\$ 1,419,051,358</u>	<u>\$ 87,443,694</u>
Liabilities:				
Due to other funds	\$ 17,534,999	\$ 15,468,115	\$ 17,534,999	\$ 15,468,115
Amounts held in custody for others	74,808,979	1,398,682,959	1,401,516,359	71,975,579
	<u>\$ 92,343,978</u>	<u>\$ 1,414,151,074</u>	<u>\$ 1,419,051,358</u>	<u>\$ 87,443,694</u>

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2002
(CONTINUED)

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Welfare				
Assets:				
Cash and investments	\$ 1,684,137	\$ 774	\$ 1,684,911	\$ —
Liabilities:				
Amounts held in custody for others	\$ 1,684,137	\$ 774	\$ 1,684,911	\$ —
Family and Children Services				
Assets:				
Cash and investments	\$ 116,351	\$ 92,362,066	\$ 89,507,037	\$ 2,971,380
Due from other funds	2,218,611	1,859,349	2,218,611	1,859,349
	\$ 2,334,962	\$ 94,221,415	\$ 91,725,648	\$ 4,830,729
Liabilities:				
Due to other funds	\$ 1,335,626	\$ —	\$ 1,335,626	\$ —
Amounts held in custody for others	999,336	94,221,415	90,390,022	4,830,729
	\$ 2,334,962	\$ 94,221,415	\$ 91,725,648	\$ 4,830,729
Law Enforcement Continuing Education				
Assets:				
Cash and investments	\$ 493,198	\$ 229,649	\$ 274,911	\$ 447,936
Due from other funds	65,325	—	65,325	—
	\$ 558,523	\$ 229,649	\$ 340,236	\$ 447,936
Liabilities:				
Amounts held in custody for others	\$ 558,523	\$ 229,649	\$ 340,236	\$ 447,936
Payroll				
Assets:				
Cash and investments	\$ 1,766,873	\$ 123,424,139	\$ 122,460,957	\$ 2,730,055
Due from other funds	430,691	—	430,691	—
	\$ 2,197,564	\$ 123,424,139	\$ 122,891,648	\$ 2,730,055
Liabilities:				
Due to other funds	\$ 268,904	\$ 240,099	\$ 268,904	\$ 240,099
Amounts held in custody for others	1,928,660	123,184,040	122,622,744	2,489,956
	\$ 2,197,564	\$ 123,424,139	\$ 122,891,648	\$ 2,730,055
Juvenile Court				
Assets:				
Cash and investments	\$ 99,843	\$ 78,928	\$ 72,682	\$ 106,089
Liabilities:				
Amounts held in custody for others	\$ 99,843	\$ 78,928	\$ 72,682	\$ 106,089

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2002
(CONTINUED)

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Probation				
Assets:				
Cash and investments	\$ 631,562	\$ 2,735,339	\$ 3,141,623	\$ 225,278
Liabilities:				
Due to other funds	\$ 89,783	\$ —	\$ 89,783	\$ —
Amounts held in custody for others	541,779	2,735,339	3,051,840	225,278
	\$ 631,562	\$ 2,735,339	\$ 3,141,623	\$ 225,278
Clerk of Circuit Court				
Assets:				
Cash and investments	\$ 11,657,165	\$ 444,176,697	\$ 447,660,285	\$ 8,173,577
Other receivable	1,540,001	—	1,540,001	—
	\$ 13,197,166	\$ 444,176,697	\$ 449,200,286	\$ 8,173,577
Liabilities:				
Due to other funds	\$ 3,343,259	\$ —	\$ 3,343,259	\$ —
Amounts held in custody for others	9,853,907	444,176,697	445,857,027	8,173,577
	\$ 13,197,166	\$ 444,176,697	\$ 449,200,286	\$ 8,173,577
Sheriff				
Assets:				
Cash and investments	\$ 3,031,364	\$ 32,967,254	\$ 32,108,618	\$ 3,890,000
Liabilities:				
Amounts held in custody for others	\$ 3,031,364	\$ 32,967,254	\$ 32,108,618	\$ 3,890,000
Other				
Assets:				
Cash and investments	\$ 100,985	\$ 153,284	\$ 165,222	\$ 89,047
Liabilities:				
Amounts held in custody for others	\$ 100,985	\$ 153,284	\$ 165,222	\$ 89,047
TOTAL ALL AGENCY FUNDS				
Assets:				
Cash and investments	\$ 56,270,069	\$ 2,118,019,534	\$ 2,117,596,371	\$ 56,693,232
Property taxes receivable	73,591,953	73,246,606	73,591,953	73,246,606
Due from other funds	4,542,369	2,118,085	4,542,369	2,118,085
Other receivable	1,540,001	—	1,540,001	—
	\$ 135,944,392	\$ 2,193,384,225	\$ 2,197,270,694	\$ 132,057,923
Liabilities:				
Due to other funds	\$ 22,576,300	\$ 15,746,450	\$ 22,576,300	\$ 15,746,450
Amounts held in custody for others	113,368,092	2,177,637,775	2,174,694,394	116,311,473
	\$ 135,944,392	\$ 2,193,384,225	\$ 2,197,270,694	\$ 132,057,923

See Independent Auditors' Report.



STATISTICAL SECTION



TABLE I

MARION COUNTY, INDIANA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION¹
LAST TEN FISCAL YEARS

Year	General Government ³	Public Safety ³	Welfare ²	Intergovern- mental	Debt Service	Capital Projects	Total
2002	\$ 99,637,429	\$117,685,042	\$ 1,816,011	\$ —	\$ 10,994,392	\$ 23,011,607	\$ 253,144,481
2001	109,903,041	93,297,040	21,691,223	—	12,501,757	9,477,669	246,870,730
2000	99,305,956	89,393,717	3,889,337	—	—	9,897,346	202,486,356
1999	90,050,197	86,373,203	1,717,304	—	—	10,797,058	188,937,762
1998	83,502,699	79,271,471	1,588,455	—	—	13,040,894	177,403,519
1997	75,738,776	90,752,303	1,733,216	—	—	9,727,874	177,952,169
1996	79,116,165	70,983,616	1,655,712	—	—	7,685,075	159,440,568
1995	79,713,402	58,944,472	2,140,230	—	—	8,332,190	149,130,294
1994	86,690,552	45,169,305	7,707,826	—	19,984,712	8,143,603	167,695,998
1993	84,230,306	42,669,101	7,898,389	19,350,000	14,150,635	8,839,701	177,138,132

¹Includes General, Special Revenue, Debt Service, and Capital Projects Funds on modified accrual basis.

²In February 1995, the County ceased operating the Marion County Healthcare Center.

³In 1996, a number of reclassifications were recorded to reflect proper functions of expenditures. These reclassifications were not performed for years prior to 1996.

TABLE II

MARION COUNTY, INDIANA
GENERAL GOVERNMENTAL REVENUES BY SOURCE^{1,2}
LAST TEN FISCAL YEARS

Year	Taxes	Intergovern- mental	Interest	Charges for Services	Miscellaneous	Total
2002	\$ 154,141,016	\$ 22,387,152	\$ 4,495,763	\$21,692,116	\$ 5,370,291	\$ 208,086,338
2001	153,794,423	23,674,456	9,990,743	19,610,416	3,953,910	211,023,948
2000	135,553,880	23,664,676	15,778,386	18,953,793	4,130,314	198,081,049
1999	132,840,256	21,914,983	12,293,551	18,721,388	3,720,348	189,490,526
1998	131,490,774	18,256,982	12,099,237	16,679,612	4,928,986	183,455,591
1997	121,260,328	18,966,282	11,307,257	14,974,901	6,681,408	173,190,176
1996	120,685,139	16,420,129	8,468,052	13,177,645	2,313,389	161,064,354
1995	113,191,439	15,922,877	10,189,444	13,898,534	1,912,013	155,114,307
1994	128,344,371	18,926,695	7,171,268	15,035,786	5,327,161	174,805,281
1993	115,700,034	17,632,925	4,866,013	13,026,239	990,674	152,215,885

¹ Includes General, Special Revenue, Debt Service, and Capital Projects Funds on modified accrual basis.

² Year 2001 revenues in accordance with GASB Statement No. 33 and Statement No. 36. Prior year revenues amounts have not been adjusted.

TABLE III

**MARION COUNTY, INDIANA
TAX REVENUES BY SOURCE^{1,2}
LAST TEN FISCAL YEARS**

Year	Total Taxes	Property Taxes	Financial Institution Tax	Excise Tax³	Local Option Income Tax	Other State and Local Taxes
2002	\$ 154,141,016	\$ 109,397,878	\$ 1,256,158	\$ 10,848,204	\$ 32,217,382	\$ 421,394
2001	153,794,423	109,357,795	1,472,175	11,285,177	30,840,465	838,811
2000	135,553,880	95,239,849	1,323,901	9,329,303	28,845,506	816,131
1999	132,840,256	91,899,871	1,591,283	9,200,524	28,428,530	1,720,048
1998	131,490,774	91,760,999	1,397,091	9,830,273	26,682,748	1,819,663
1997	121,260,328	85,012,419	1,425,295	8,579,390	25,323,496	919,728
1996	120,685,139	86,360,317	1,229,650	8,622,374	23,977,200	495,598
1995	113,191,439	81,793,824	1,205,435	8,416,036	21,776,144	—
1994	128,344,371	96,171,438	1,216,006	9,714,212	21,182,542	60,173
1993	115,700,034	84,743,672	1,451,782	8,880,877	20,010,105	613,598

¹ Includes General, Special Revenue, Debt Service, and Capital Projects Funds on modified accrual basis.

² Year 2001 revenues in accordance with GASB Statement No. 33 and Statement No. 36. Prior year revenue amounts have not been adjusted.

³ Beginning in 2001, the County began to receive Commercial Vehicle Excise Tax.

TABLE IV

**MARION COUNTY, INDIANA
PROPERTY TAX LEVIES AND COLLECTIONS^{1, 3}
LAST TEN FISCAL YEARS**

Year	Total Tax Levy²	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections
2002	\$ 151,594,331	\$ 148,821,953	98.1%	\$ 5,525,354
2001	127,033,594	122,269,099	96.2	4,337,332
2000	125,607,444	119,434,756	95.1	4,494,510
1999	124,727,836	118,494,958	95.0	4,556,331
1998	122,425,483	115,897,043	94.7	4,565,582
1997	118,109,208	116,512,591	98.6	5,158,613
1996	127,885,492	131,046,663	102.5	4,341,295
1995	123,907,750	118,623,084	95.7	4,979,222
1994	123,149,915	120,441,919	97.8	4,325,000
1993	118,610,343	115,638,061	97.5	5,271,219

¹ Includes General, Special Revenue, Debt Service, and Capital Projects Funds on modified accrual basis.

² Source: Certification prepared by the State of Indiana Board of Tax Commissioners.

³ Data has been adjusted to reflect credits issued by the County Auditor's Office as a result of appeals or other adjustments.

TABLE IV (Continued)

Year	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2002	\$ 154,347,307	101.8%	\$ 6,999,135	4.6%
2001	126,606,431	99.7	7,560,707	6.0
2000	123,929,266	98.7	7,363,626	5.9
1999	123,051,289	98.7	9,518,845	7.6
1998	120,462,625	98.4	10,737,132	8.8
1997	121,671,204	103.0	9,605,401	8.1
1996	135,387,958	105.9	10,105,419	7.9
1995	123,602,306	99.8	10,419,374	8.4
1994	124,766,919	101.3	8,912,020	7.2
1993	120,909,280	101.9	12,928,797	10.9

TABLE V

**MARION COUNTY, INDIANA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS⁵**

Year	Real Property ^{1, 4}		Personal Property ²
	Assessed Value ³	Estimated Actual Value	Assessed Value ³
2002	\$ 20,568,719,859	\$ 20,568,719,859	\$ 7,745,399,528
2001	6,705,722,193	20,117,166,579	2,479,642,504
2000	6,594,467,920	19,783,403,760	2,487,776,757
1999	6,479,504,341	19,438,513,023	2,402,979,370
1998	6,362,743,493	19,088,230,479	2,368,836,585
1997	6,146,749,746	18,440,249,238	2,183,118,841
1996	5,911,427,765	17,734,283,290	2,096,430,165
1995	5,390,081,775	16,170,245,325	1,961,312,525
1994	5,280,016,810	15,840,050,433	1,929,321,400
1993	5,245,985,500	15,737,956,500	1,849,639,640

¹ Assessed values for real property for years, 1993 to 1995 represent 1985 values and 1996 to 2001 represents 1991 values.

² Assessed values for personal property updated annually.

³ Represents the assessed values certified by the State of Indiana, Department of Local Government Finance as of January 1.

⁴ Estimated actual value is three times the assessed value for years 1993 through 2001. It is assessed at 100% for 2002.

⁵ In accordance with Indiana State Law, a property reassessment was conducted in 1996 and 2002.

TABLE VI

**MARION COUNTY, INDIANA
PROPERTY TAX RATES AND TAX LEVIES—DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS^{4, 5}**

Year	Marion County			City of Indianapolis
	Operations	Debt ¹	Total	
<i>Tax Rates³</i>				
2002	\$ 0.5005	\$ 0.0349	\$ 0.5354	\$ 1.2254
2001	1.2760	0.1283	1.4043	3.7670
2000	1.4038	—	1.4038	3.7825
1999	1.4022	—	1.4022	3.7948
1998	1.4021	—	1.4021	3.7956
1997	1.4179	—	1.4179	3.8033
1996	1.5970	—	1.5970	3.8054
1995	1.6855	—	1.6855	3.9140
1994	1.4597	0.2725	1.7322	3.9140
1993	1.4311	0.6995	2.1306	3.9140
<i>Tax Levy</i>				
2002	\$ 141,712,668	\$ 9,881,663	\$ 151,594,334	\$ 167,457,494
2001	117,205,253	11,784,823	128,990,076	169,691,054
2000	127,496,551	—	127,496,551	172,093,232
1999	124,727,836	—	124,727,836	173,926,014
1998	122,425,483	—	122,425,483	169,976,011
1997	118,109,208	—	118,109,208	161,098,123
1996	127,885,492	—	127,885,492	156,390,376
1995	123,907,750	—	123,907,750	152,352,986
1994	105,234,710	17,915,205	123,149,915	152,650,974
1993	101,545,491	17,064,852	118,610,343	152,844,446

¹ Includes Welfare debt, County debt, and levy for Center Township Poor Relief Bond Fund.

² Schools, Municipal Corporations and Other rates represent County wide average.

³ The above tax rates are based upon \$100 assessed valuation.

⁴ In accordance with Indiana State Law, a property reassessment was conducted in 1996 and 2002.

⁵ Rates decreased because the assessed valuation increased by 3 times true value in 2002.

Personal Property²	Total⁴	
Estimated Actual Value	Assessed Value³	Estimated Actual Value
\$ 7,745,399,528	\$ 28,314,219,387	\$ 28,314,219,387
7,438,927,512	9,185,364,697	27,556,094,091
7,463,330,271	9,082,244,677	27,246,734,031
7,208,938,110	8,882,483,711	26,647,451,133
7,106,509,755	8,731,580,078	26,194,740,234
6,549,356,523	8,329,868,587	24,989,605,761
6,289,290,500	8,007,857,930	24,023,573,790
5,883,937,575	7,351,394,300	22,054,182,900
5,787,964,200	7,209,338,210	21,628,014,633
5,548,918,920	7,095,625,140	21,286,875,420

Municipal Corporations²	Schools²	State of Indiana	Other²	Total
\$ 0.4152	\$ 1.9594	\$ 0.0033	\$ 0.0799	\$ 4.2186
1.2843	5.3913	0.0100	0.7469	12.6038
1.2837	5.2446	0.0100	0.6427	12.3673
1.2835	5.2415	0.0100	0.6120	12.3460
1.2325	4.9884	0.0100	0.6909	12.1195
1.2013	4.9175	0.0100	0.7509	12.1009
1.2064	4.8825	0.0100	0.7477	12.2490
1.2508	5.1288	0.0100	0.7686	12.7577
1.2268	4.9093	0.0100	0.7158	12.5081
1.2261	4.7125	0.0100	0.7308	12.7240
\$ 114,763,215	\$ 535,605,594	\$ 934,368	\$ 7,218,881	\$ 977,573,883
116,187,665	508,598,610	918,536	68,602,042	992,987,984
114,934,650	476,327,404	908,224	58,371,587	950,131,648
113,609,691	465,580,232	888,248	54,367,405	933,099,426
107,619,433	435,570,763	873,158	60,324,702	896,789,550
100,064,164	409,622,714	832,987	62,546,370	852,273,566
96,604,913	390,983,444	800,786	59,877,517	832,542,528
90,173,430	377,037,931	735,139	56,501,775	800,709,011
88,443,159	353,928,473	720,933	51,601,360	770,494,814
86,999,436	334,380,866	709,562	51,859,397	745,404,050

TABLE VII

MARION COUNTY, INDIANA
RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS⁴

Year	Assessed Value^{1,5}	Gross Bonded Debt³	Less Debt Service Monies Available³
2002	\$ 28,314,219,387	\$ 10,000,000	\$ 515,267
2001	9,185,364,697	20,000,000	635,095
2000	9,082,244,677	12,000,000	—
1999	8,882,483,711	—	—
1998	8,731,580,078	—	—
1997	8,329,868,587	—	—
1996	8,007,857,930	—	—
1995	7,351,394,300	—	—
1994	7,209,338,210	—	—
1993	7,095,625,140	19,350,000	313,959

(2000 Population: 860,454)

(1990 Population: 797,159)

¹ Represents the assessed values certified by the State of Indiana, Department of Local Government Finance as of January 1.

² Bonding limit is 2% of assessed value for years 1993 to 2001. It is .67% for 2002.

³ Only includes debt payable from property tax revenue and related debt service monies including prepaid items.

⁴ In accordance with Indiana State Law, a property reassessment was conducted in 1996.

⁵ Assessed value represents 33⅓% of estimated actual value for the years 1993 through 2001. Assessed value is 100% of estimated actual value for 2002.

TABLE VIII

MARION COUNTY, INDIANA
COMPUTATION OF LEGAL DEBT MARGIN
December 31, 2002

Net Assessed Value, as certified by the State of Indiana, Department of Local Government Finance.....	\$ 28,314,219,387
Debt Limit—.67% of Net Assessed Value	188,761,463
Net Bonded Debt	<u>10,000,000</u>
Legal Debt Margin.....	<u>\$ 178,761,463</u>

Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Ratio of Net Bonded Debt to Limit²	Net Bonded Debt Per Capita
\$ 9,484,733	.03%	2%	\$ 11.02
19,364,905	.20	11	22.51
12,000,000	.10	7	13.95
—	.00	0	0.00
—	.00	0	0.00
—	.00	0	0.00
—	.00	0	0.00
—	.00	0	0.00
—	.00	0	0.00
19,036,041	.30	13	23.88

TABLE IX

MARION COUNTY, INDIANA
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT AND BONDING LIMIT
December 31, 2002 (1)

	Net Assessed Valuation(7)		Bonding Limit Percent Amount	Bonds Outstanding
DIRECT DEBT:				
Marion County.....	\$ 28,314,219,387	0.67%	\$ 188,761,463	\$ 10,000,000
OVERLAPPING DEBT:				
City of Indianapolis:				
Civil City	\$ 26,402,602,426	0.67%	\$ 176,017,350	\$ 2,165,000
Consolidated County	28,314,219,387	(3)	—	—
Park District.....	28,314,219,387	(8)	—	29,535,000
Redevelopment District	26,402,602,426	(8)	—	38,105,194
Flood Control District.....	28,314,219,387	0.67%	188,761,463	33,930,000
Metropolitan Thoroughfare District	28,314,219,387	1.33%	377,522,925	77,560,000
Sanitary District.....	25,930,383,967	4%	1,037,215,359	89,380,000
Police Special Service District.....	9,082,240,931	(2)	—	—
Police Pension	9,082,240,931	(2)	—	—
Fire Special Service District	8,007,511,087	(2)	—	—
Fire Pension	8,007,511,087	(2)	—	—
Solid Waste Collection Special Service District.	26,441,716,184	(2)	—	—
Solid Waste Disposal Special Service District ...	28,314,219,387	2.00%	566,284,388	—
Public Safety Communication and Computer Facilities District.....	28,314,219,387	0.33%	94,380,731	15,000,000
Total City of Indianapolis (9).....			\$ 2,440,182,216	\$ 285,675,194
Municipal Corporations:				
Airport Authority	\$ 28,314,219,387	0.67%	\$ 188,761,463	\$ —
Health and Hospital Corporation	28,314,219,387	0.67%	188,761,463	50,935,000
Capital Improvement Board of Managers of Marion County	28,314,219,387	0.67%	188,761,463	—
Indianapolis-Marion County Library.....	27,378,901,460	0.67%	182,526,010	38,810,000
Indianapolis-Marion County Building Authority	28,314,219,387	(5)	—	85,750,000
Indianapolis Public Transportation Corporation.	26,776,729,672	0.67%	178,511,531	17,530,000
Total Municipal Corporations			\$ 927,321,929	\$ 193,025,000
School Districts:				
Beech Grove	\$ 348,476,927	(4)	\$ 37,051,661	\$ 36,179,490
Decatur	766,603,210	(4)	32,475,577	27,364,888
Franklin	958,475,701	(4)	113,840,580	107,450,742
Indianapolis Public Schools.....	7,623,006,663	(4)	112,009,805	61,189,761
Lawrence	3,294,235,082	(4)	118,560,765	96,599,198
Perry	2,274,131,945	(4)	116,971,842	101,810,962
Pike.....	3,791,380,486	(4)	123,585,870	98,310,000
Speedway.....	586,841,000	(4)	3,912,273	—
Warren	2,551,257,488	(4)	166,570,275	149,561,892
Washington.....	3,499,264,111	(4)	40,683,427	17,355,000
Wayne.....	2,620,546,774	(4)	135,302,934	117,832,621
Total School Districts.....	\$ 28,314,219,387		\$ 1,000,965,009	\$ 813,654,554

(Continued)

TABLE IX

MARION COUNTY, INDIANA
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT AND BONDING LIMIT
December 31, 2002 (1)
(Continued)

	Net Assessed Valuation(7)		Bonding Limit Percent Amount	Bonds Outstanding
Other Cities and Towns:				
Beech Grove	\$ 374,127,246	0.67%	\$ 2,494,182	\$ 1,887,444
Lawrence	911,534,957	0.67%	6,076,900	279,000
Southport	39,113,758	0.67%	260,758	—
Speedway	<u>586,841,000</u>	0.67%	<u>3,912,273</u>	<u>2,325,071</u>
Total Other Cities and Towns	\$ <u>1,911,616,961</u>		\$ <u>12,744,113</u>	\$ <u>4,491,515</u>
Townships:				
Center	\$ 4,394,684,108	0.67%	\$ 29,297,894	\$ —
Decatur	767,500,160	0.67%	5,116,668	2,999,992
Franklin	1,084,443,107	0.67%	7,229,621	3,423,199
Lawrence	3,610,715,899	0.67%	24,071,439	743,000
Perry	2,517,505,530	0.67%	16,783,370	1,156,326
Pike	3,859,632,856	0.67%	25,730,886	—
Warren	3,392,465,711	0.67%	22,616,438	14,598,271
Washington	4,483,966,494	0.67%	29,893,110	—
Wayne	<u>4,203,305,522</u>	0.67%	<u>28,022,037</u>	<u>571,599</u>
Total Townships	\$ <u>28,314,219,387</u>		\$ <u>188,761,463</u>	\$ <u>23,492,387</u>
Excluded Cities Library Districts:				
Beech Grove	\$ 348,476,927	0.67%	\$ 2,323,180	\$ 3,440,000
Speedway	<u>586,841,000</u>	0.67%	<u>3,912,273</u>	<u>590,000</u>
Total Excluded Cities Library Districts	\$ <u>935,317,927</u>		\$ <u>6,235,453</u>	<u>4,030,000</u>
Ben Davis Conservancy District	\$ <u>197,101,710</u>	(6)		\$ —
Total Overlapping Debt				\$ <u>1,334,368,650</u>
Total Direct and Overlapping Debt				\$ <u>1,344,368,650</u>

(1) Excludes Revenue Bonds not payable from ad valorem taxes.

(2) No bonding authority.

(3) No bonding authority payable from ad valorem taxes.

(4) A statutory 2% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to a school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.

(5) There is no debt limit for the Building Authority. Its debt service requirements are funded by rentals paid by Marion County and the City of Indianapolis from ad valorem taxes mandated by the Authority's enabling legislation.

(6) Ben Davis Conservancy District has no bonding limit; bonds are payable from either collection of special benefits taxes or revenues produced from the project per Indiana Code 13-3-3-81.

(7) Represents the assessed values certified by the State of Indiana, Department of Local Government Finance as of January 1, 2001.

(8) There is no statutory or constitutional debt limitation applicable to the Park and Redevelopment Districts.

(9) Including \$140,000 of matured bonds not presented for payment and \$14,610,000 of deferred interest on Redevelopment Capital Appreciation bond.

TABLE X

MARION COUNTY, INDIANA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO
TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Year	Debt Service Requirements			Total General Governmental Expenditures ¹	Ratio of Debt Service to General Governmental Expenditures
	Principal	Interest	Total		
2002	\$ 10,000,000	\$ 994,392	\$10,994,392	\$ 253,144,481	4.3%
2001	12,000,000	501,757	12,501,757	246,870,730	5.1
2000	—	—	—	202,486,356	N/A
1999	—	—	—	188,937,762	N/A
1998	—	—	—	177,403,519	N/A
1997	—	—	—	177,952,169	N/A
1996	—	—	—	159,440,568	N/A
1995	—	—	—	149,130,294	N/A
1994	—	—	—	167,695,998	N/A
1993	13,700,000	450,635	14,150,635	177,138,132	8.0%

¹Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

TABLE XI

**MARION COUNTY, INDIANA
DEMOGRAPHIC STATISTICS**

Population by Age ¹	2000	1990	1980	1970	1960	Percent of Total				
						2000	1990	1980	1970	1960
0-19	244,709	225,016	244,042	291,574	173,781	28%	28%	32%	39%	36%
20-44	346,027	338,728	290,450	238,506	155,365	40	42	38	32	33
45-64	174,184	140,594	151,443	149,467	99,861	20	18	20	20	21
65 and over	<u>95,534</u>	<u>92,821</u>	<u>79,298</u>	<u>65,077</u>	<u>47,251</u>	<u>11</u>	<u>12</u>	<u>10</u>	<u>9</u>	<u>10</u>
Totals	<u>860,454</u>	<u>797,159</u>	<u>765,233</u>	<u>744,624</u>	<u>476,258</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Income Level of Marion County Households

Population ²	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Under \$10,000 ³	—	—	—	—	—	—	—	32,078	32,603	34,177
\$10,000-\$19,999	82,490	82,847	79,970	84,502	85,863	88,537	93,319	47,290	47,963	51,110
\$20,000-\$34,999	79,990	79,990	75,954	78,490	79,516	81,855	83,653	75,400	75,236	79,744
\$35,000-\$49,999	64,635	64,278	62,570	63,460	63,479	63,813	64,656	66,140	63,951	62,502
Over \$50,000	<u>129,985</u>	<u>129,985</u>	<u>116,106</u>	<u>107,548</u>	<u>105,242</u>	<u>99,896</u>	<u>91,652</u>	<u>109,792</u>	<u>93,732</u>	<u>80,359</u>
Total Households	<u>357,100</u>	<u>357,100</u>	<u>334,600</u>	<u>334,000</u>	<u>334,100</u>	<u>334,100</u>	<u>333,280</u>	<u>330,700</u>	<u>313,485</u>	<u>307,892</u>

Population	Total Population ¹	Percentage Change
2001	856,938	(0.4)%
2000	860,454	6.1
1999	810,946	(0.3)
1998	813,405	—
1997	813,670	(0.1)
1996	814,854	—
1995	815,011	—
1994	815,293	0.2
1993	813,122	—
1992	812,324	—
1991	Unavailable ⁴	—
1990	797,159	0.1
1989	796,300	0.6
1988	791,900	0.2
1987	790,100	0.6
1986	785,000	0.6
1985	780,000	0.7
1984	774,800	0.4
1983	772,000	0.1
1982	771,000	0.3
1981	768,700	0.5
1980	765,233	(0.4)
1979	768,302	—
1978	768,300	(0.6)
1977	772,802	(0.3)
1976	775,001	(0.8)
1975	781,102	(1.2)
1974	790,901	—
1973	790,502	(0.4)
1970	793,769	13.8
1960	697,567	26.4
1950	551,777	19.7
1940	460,926	—

¹ Data presented is per the U.S. Department of Commerce, Bureau of Census. Data prior to 1970 represents the Consolidated City of Indianapolis before Unigov reorganization.

² Data presented is per "2001 Survey of Buying Power and Media Markets" a supplement of Sales and Marketing Management Magazine. Data prior to 1995 is per the U.S. Department of Commerce, Bureau of Census.

³ Data presented after 1994 is included with income levels up to \$19,999.

⁴ Population information pertaining to 1991 was not available.

TABLE XII

**MARION COUNTY, INDIANA
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN FISCAL YEARS**

	Building Permits¹		Bank Deposits²	Savings and Loan Deposits³	Property Value⁴
	No. Issued	Value of Buildings			
2002	36,000	\$1,760,318,000	\$12,659,000,000	\$1,273,000,000	\$28,314,219,387
2001	41,000	1,932,731,000	11,520,000,000	2,392,000,000	27,556,094,091
2000	37,175	2,364,376,370	10,443,000,000	2,075,000,000	27,246,734,031
1999	40,013	1,948,286,690	11,301,000,000	1,903,000,000	26,647,451,133
1998	38,114	1,845,017,605	11,277,000,000	1,780,000,000	26,194,740,234
1997	38,567	1,199,898,147	9,771,643,000	1,472,507,000	24,989,605,761
1996	38,290	1,070,886,493	9,804,723,000	1,498,840,000	24,023,573,790
1995	39,203	1,339,263,435	10,042,791,000	1,469,224,000	22,054,182,900
1994	43,057	1,241,255,590	7,991,036,000	1,780,185,000	21,628,014,633
1993	40,174	1,241,856,194	9,993,564,000	1,541,336,000	21,286,875,420

¹ Source: City of Indianapolis, Department of Metropolitan Development.

² Source for 1993 to 1994: Sheshunoff Information Services. 1995 to 1996 FHLB Presentation Analysis Report, FDIC Home Page for 1997 to 2002.

³ Source for 1993 to 1996: Sheshunoff Information Services, FDIC Home Page for 1997 to 2002.

⁴ For 1993 to 2001, property value is estimated actual value, i.e. three times assessed value. For 2002, property value equals estimated actual value.

TABLE XIII

MARION COUNTY, INDIANA
SCHEDULE OF INSURANCE IN FORCE
December 31, 2002

(A) Name of Company (B) Type of Coverage	Policy Number	Policy Period From To	Details of Coverage	Liability Limits	Annual Premium	Deductible
(1) (A) Chubb Insurance	35363751	1/1/02-1/1/03	Blanket insurance on real and personal property of City/County on fire, EDP, boiler and flood excess of \$40 million.	\$647,957,208	\$291,184	\$25,000 \$100,000/Flood \$250,000/Flood (Southport) \$50,000 Ellenberger/Perry under pipe/drain \$50,000,000
(2) (A) Hartford Fire Ins. Co. (B) Flood and Earth-quake Insurance	36XLSOG3127	1/24/02-1/1/03	Excess flood and earthquake. \$50 million excess.	\$558,898,209	\$28,110	
(3) (A) Peerless (B) Blanket Fidelity Bond (City of Indianapolis)	A26605	1/1/02-1/1/03	Public Employee Dishonesty and Forgery or Alteration Blanket Position Bond coverall all employees of the City other than officials that are required to be bonded individually.	\$100,000 All employees except elected officials - \$25,000	\$4,817	\$2,500 Employee Dishonesty
(4) (A) Chubb Insurance	50433	1/1/02-1/1/03	Coverage for theft, disappearance and destruction of monies in and out of Parks, Controller's Office, Treasurer, Clerk's Office, Probation, Juvenile Court & Recorder In & Out.	Parks-\$20,000 Controller-\$25,000 Treasurer-\$25,000 Clerk-\$25,000 Juvenile-\$2,000	Included in property premium	None
(5) (A) American State Group (B) Elected Officials Bond	01EX948094	12/31/02- 12/31/03	Bond covering Washington Township Assessor – Jolina Ohmart.	\$8,500	\$100	None
(6) (A) Fidelity & Deposit of Maryland (B) Public Officials	30639496	1/1/01-1/1/03	Public Officials coverage for Marion County – Clerk-Doris Ann Sadler.	\$300,000	\$1,050	None
(7) (A) Indiana Peerless (B) Public Officials	18857097	1/1/02-1/1/03	Public Officials coverage for County Surveyor – Jack Irwin.	\$8,500	\$100	None
(8) (A) Fidelity & Deposit of Maryland (B) Public Officials	POB0003482	1/1/01-1/1/03	Public Officials coverage for Decatur Assessor – Charles Coleman.	\$8,500	\$100	None
(9) (A) Fidelity & Deposit of Maryland (B) Public Officials	30639465A	1/1/01-1/1/03	Public Officials coverage for Prosecutor – Carl Brizzi.	\$8,500	\$100	None
(10)(A) Fidelity & Deposit of Maryland (B) Public Officials	8059043	1/1/02-1/1/03	Public Officials coverage for Coroner – Dr. John P. McGoff.	\$8,500	\$100	None
(11)(A) Peerless Insurance (B) Public Officials	8059041	1/1/02-1/1/03	Public Officials coverage for Marion County Treasurer – Greg Jordan.	\$300,000	\$1,175	None
(12)(A) Fidelity & Deposit of Maryland (B) Public Officials	30639469	1/1/01-1/1/03	Public Officials coverage for Marion County Sheriff – Frank Anderson.	\$90,000	\$450	None
(13)(A) Arlington/Roe & Co. (B) Public Officials	POB04008513	1/1/02-1/1/03	Public Officials coverage for County Recorder – Wanda Martin.	\$60,000	\$350	None
(14)(A) Fidelity & Deposit of Maryland (B) Public Officials	POB4008539	1/1/01-1/1/03	Public Officials coverage for Marion County Assessor Joan Romeril.	\$8,500	\$100	None
(15)(A) Peerless Insurance (B) Public Officials	POB8152168	1/1/02-1/1/03	Public Officials coverage for Marion County Auditor – Martha Womacks.	\$300,000	\$1,050	None
(16)(A) Fidelity & Deposit of Maryland (B) Public Officials	POB0003483	1/1/01-1/1/03	Public Officials coverage for Wayne Twp. Assessor – Charles Spears.	\$8,500	\$100	None
(17)(A) American States Ins. (B) Public Officials	01-EX-590695	1/1/02-1/1/03	Public Officials coverage for Center Twp. Assessor – James Maley	\$8,500	\$50	None

TABLE XIV

MARION COUNTY, INDIANA
SALARIES OF PRINCIPAL OFFICE HOLDERS
For the Year 2002

Name	Title	Annual Salary Excluding Meeting Per-Diem	Fidelity Bond
Bart Peterson	County Executive	\$ 95,000	\$ —
Sarah Taylor	Clerk of the Circuit Court	73,440	300,000
Martha A. Womacks	Auditor	73,440	300,000
Gregory N. Jordan	Treasurer	73,440	300,000
Wanda Martin	Recorder	68,850	8,500
Jack Cottey	Sheriff	101,312	90,000
Jack A. Irwin	Surveyor	56,634	8,500
John P. McGoff, M.D.	Coroner	37,746	8,500
Joan N. Romeril	Assessor	68,850	8,500
Scott Newman	Prosecutor	5,000	—
Dr. Beurt SerVaas	City-County Council President	13,382	—
Dr. Philip Borst, D.V.M.	City-County Council Majority Leader**	12,720	—
Rozelle Boyd	City-County Council Minority Leader	12,720	—
John Bainbridge	City-County Councillor	11,400	—
Elwood Black	City-County Councillor	11,400	—
James Bradford	City-County Councillor	12,197	—
Maggie Brents	City-County Councillor	11,400	—
Bob Cockrum	City-County Councillor	12,197	—
Lonnell "King Ro" Conley	City-County Councillor	11,400	—
Curtis Coonrod	City-County Councillor	12,197	—
Beulah Coughenour	City-County Councillor***	12,197	—
William Douglas	City-County Councillor	11,400	—
William A. Dowden	City-County Councillor	12,197	—
Sean Frick*	City-County Councillor	11,400	—
Ron Gibson	City-County Councillor	11,400	—
Monroe Gray, Jr.	City-County Councillor	11,400	—
Karen Celestino Horseman	City-County Councillor	11,400	—
Harvey Knox	City-County Councillor	11,400	—
Lance Langsford	City-County Councillor	11,400	—
Robert Massie	City-County Councillor	12,197	—
Lynn McWhirter	City-County Councillor	11,400	—
Mary Moriarty Adams	City-County Councillor	11,400	—
Jackie Nytes	City-County Councillor	11,400	—
Joanne Sanders	City-County Councillor	11,400	—
Scott Schneider	City-County Councillor	11,400	—
Frank T. Short	City-County Councillor	11,400	—
David Smith	City-County Councillor	12,197	—
Bill Soards	City-County Councillor	11,400	—
Steve Talley	City-County Councillor	11,400	—
Jody Tilford	City-County Councillor	12,197	—

All County employees except elected officials are covered by a \$100,000 blanket bond.

*Elected 10/28/02 to replace Beurt SerVaas in District 2.

**Upon retirement of Beurt SerVaas, elected City-County Council President for remainder of 2002.

***Upon Philip Borst's election as President, elected Majority Leader for remainder of 2002.

TABLE XV

MARION COUNTY, INDIANA
PRINCIPAL TAXPAYERS AND EMPLOYERS
December 31, 2002

Principal Taxpayers	Type of Business	2002 Net Assessed Valuation (A)	Employees (B)
Allison Transmission	Manufacturing	\$ 386,846	4,119
American United Life Insurance Co.	Insurance	90,649	813
Anthem, Inc.	Insurance	37,081	3,509
Bank One Corporation	Banking	62,359	2,189
Citizens Gas & Coke Utility	Utility	30,430	1,161
Clarian Health Partners (C)	Hospitals	120,333	(D)
Daimler - Chrysler Corporation	Manufacturing	85,081	997
Eli Lilly & Company	Pharmaceuticals/Manufacturing	508,054	15,051
Federal Home Loan Bank	Banking	149,981	163
General Motors Corporation	Manufacturing	39,810	2,248
Guidant Corp	Manufacturing - Medical Equipment	3,143	(D)
H.H. Gregg	Retail - Furniture	31,552	678
Indianapolis Power & Light	Utility	372,395	939
Indianapolis Star	Newspaper	21,398	1,247
International Truck and Engine	Manufacturing – Trucks, Buses	160,340	1,838
Marathon Oil Company	Retail Oil, Gas & Other Energy	2,047	3,224
Marsh Supermarkets, Inc.	Retail/Grocers	47,605	3,680
Meijer, Inc.	Retail/Grocers	61,499	1,909
National Starch & Chemical	Manufacturing - Chemical	93,244	575
Reilly Industries, Inc.	Manufacturing - Chemical	37,325	337
Rexnord Corporation	Manufacturing - Transmissions	28,682	376
Roche Diagnostics Corp.	Manufacturing - Pharmaceuticals	108,512	2,300
Rolls-Royce	Manufacturing - Aviation	177,775	4,335
The Kroger Company	Retail/Grocers	229,385	890
Visteon Corp. (formerly Ford Motor Co.)	Manufacturing -Automotive	204,732	2,616

Other Principal Employers

United States Government	Government	N/A (E)	15,076 (F)
Indiana State Government	Government	N/A (E)	12,500 (G)
Indianapolis/Marion County Government	Government	N/A (E)	8,515 (H)
IUPUI	University	N/A (E)	6,763
Community Hospitals of Indianapolis, Inc.	Hospital/Health Care	N/A (E)	5,293

(A) Represents the March 1, 2001 valuations for taxes due and payable in 2002 as represented by the taxpayer. The principal taxpayers are located in different taxing districts, therefore percentage of total assessed valuation is not applicable. Amounts in thousands.

(B) As of December 31, 2002.

(C) Includes Methodist, I.U., and Riley Hospitals.

(D) Data not available.

(E) Not-for-profit entity.

(F) Data is from the Office of Workforce Information located in the U.S. Office of Personnel Management.

(G) Data is per State of Indiana Personnel Department.

(H) Includes the following entities reporting to the City-County Council: Airport Authority, Building Authority, Capital Improvement Board, City of Indianapolis, Marion County, Health and Hospital, Library Board and Indianapolis Public Transportation Corporation.

TABLE XVI

MARION COUNTY, INDIANA
MISCELLANEOUS STATISTICS
December 31, 2002

County Seat—Indianapolis		Recreation	
U.S. Congressional District Nos. 6 and 10		Parks—Number	163
Indiana House District Nos. 86 through 100		Parks—Acreage	10,305
Indiana Senate District Nos. 29 through 36		Playgrounds	123
		Golf Courses	13
		Community Centers	18
Date of present charter adopted (UNIGOV)	1969	Swimming Pools—Outdoors	16
Form of Government	City-County Council and County Executive	Swimming Pools—Indoors	4
		Education (Public Schools)	
Area—Square Miles	402	Number of Students (Grades K-12) (B)	129,067
Estimated Miles of Streets	3,078		
Estimated Miles of Sewers	2,822	Number of Street Lights	29,629
		Number of Employees (Marion County)	3,072
Fire Protection			
Number of Stations	62		
Number of Employees	1,690		
Police Protection			
City of Indianapolis (A)	1,420		
Marion County	<u>1,355</u>		
Total Number of Employees	<u>2,775</u>		

(A) Includes civilians.

(B) Data presented is per the Indiana Department of Public Instruction for Marion County, all districts.

**ADDITIONAL COPIES OF THIS REPORT
MAY BE OBTAINED FROM:
AUDITOR OF MARION COUNTY
MARTHA A. WOMACKS
821 CITY-COUNTY BUILDING
200 E. WASHINGTON STREET
INDIANAPOLIS, IN 46204**

